# Contract and Addendum Between

# Paducah Remediation Services, LLC

### and

# United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its Local 550

July 31, 2006 - July 31, 2010

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# **NOTES**

# NOTES

# NOTES

### ARTICLE I PURPOSE

It is the intent of the parties that this contract and addendum will constitute the complete agreement between Paducah Remediation Services, LLC, hereinafter referred to as "PRS" or the "Company" and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union, herein after referred to as "USW" or the "Union." No additions, waivers, deletions, changes, or amendments shall be made during the term of this contract except by written agreement of the parties.

# ARTICLE II RECOGNITION

Section 1. In conformity with the Labor-Management Relations Act, Paducah Remediation Services, LLC recognizes the USW as the sole and exclusive bargaining agent for all hourly rated employees, excluding Guards and salaried employees (semimonthly or weekly), with respect to rates of pay, wages, hours of employment, and other conditions of employment.

Section 2. The term "employee," as used herein, will mean any person represented by the USW as described in Section 1 above. For the purpose of this Agreement, the use of the masculine pronoun or derivative thereof shall be applied as to include both male and female.

Section 3. It is understood that no incident which occurred prior to the effective date of this contract shall be the subject of complaint under any of the procedures provided in this contract. Grievances arising under the terms of the previous contract shall be processed in accordance with such terms.

Section 4. The Company agrees not to interfere with the right of employees to join or belong to the USW and the USW agrees not to intimidate or coerce employees to join the USW. The Company further agrees not to discriminate against any employee on account of USW membership or USW activity, and the USW agrees neither to solicit for membership, collect USW funds, nor to engage in other USW activity on Company time unless specifically provided for in this contract. However, USW may be granted up to two (2) hours for orientation of new members.

### ARTICLE III USW-PRS RELATIONSHIP

Section 1. All employees within the Bargaining Unit who are members of the USW upon the execution of this Contract shall, as a condition of employment, maintain their membership to the extent of tendering the periodic dues uniformly required as a condition of retaining membership. All employees in the Bargaining Unit who are not members of the USW upon the execution of this Contract, will within thirty (30) days join the USW, and shall at all times thereafter maintain their membership in the USW as a condition of employment, as set forth above.

Section 2. Upon receipt of the proper written authorization form (provided by the Union) from an employee, the Company agrees to deduct from the wages of said employee dues uniformly applicable to all members, as certified to the Company by the USW. Payroll deductions of appropriate incremental amounts will be made on a weekly basis until the regular monthly dues amount has been collected unless the employee's paychecks during the month are insufficient to cover the monthly dues amount. Dues deducted and collected for the month will be forwarded to the International Union, at the designated address, in the correct amount, and on the proper form(s).

Section 3. The USW shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, action taken by the Company for the purpose of complying with Article III.

Section 4. The Company agrees that it will check-off and transmit to the Treasurer of the United Steelworkers Political Action Committee (USW PAC) voluntary contributions to the USW PAC from the earnings of those employees who voluntarily authorize such contributions on forms provided for that purpose by the USW PAC.

The amount and timing of such check-off deductions and the transmittal of such voluntary contributions shall be specified in such forms and in conformance with any applicable state or federal statute.

The signing of such USW PAC check-off forms and the making of such voluntary contributions are not the conditions of membership in the Union or of employment with the Company.

The parties acknowledge that the costs of implementing and administering the USW PAC check-off program would be an obligation of the Union and that the estimated costs of such implementation and administration of the program have been incorporated by the Company in its valuation of collective bargaining negotiation settlements.

USW PAC supports various candidates for federal and other elective offices connected with the USW, a labor organization, and solicits and accepts only voluntary contributions, which are deposited in an account separate and segregated from the dues fund of the Union, in its own fundraising effort and in joint fundraising efforts with the AFL-CIO and its Committee on Political Education.

### ARTICLE IV CONTINUITY OF OPERATIONS

- Section 1. There will be no strikes, lockouts, work stoppages, picket lines, slowdowns, secondary boycotts, or disturbances, even of a momentary nature. The USW agrees to support the Company fully in maintaining operations.
- Section 2. It is recognized that all members of the USW and the Company are required to comply with all protective security measures now in effect. If it is found that this contract or any part of this contract in any way violates security measures which are now in effect, or which may be put into effect later, and the Company and the USW are notified by the proper authority as to the section or sections of the contract in question, negotiations will begin immediately for the purpose of making required changes.
- Section 3. Restricted Access Security Clearance: If the U.S. Department of Energy (DOE) places an employee's security clearance on restricted access, the company and the USW will meet to discuss the matter. The Company will then review its current operational conditions and make a determination if employment opportunities exist for an employee with a restricted access clearance. If there is no opportunity for continued employment with a restricted access security clearance, the company shall place the employee on unpaid suspension until such time as work becomes available, or the DOE either removes the restricted access, or revokes the security clearance. At such time as the DOE removes the restricted access, the employee shall return to his previous job classification (under applicable seniority provisions) with no loss of company service credit. It is agreed that this provision will be applied fairly and consistently to all PRS and PRS subcontractor employees.

### ARTICLE V RESPONSIBILITIES

Subject to the USW rights as set forth in the PRS contract and addendum, PRS and its subcontractors shall continue to exercise its exclusive responsibility for the management of its contract work scope at the Paducah plant site, including the nondiscriminatory selection and direction of the working forces, the right to adopt and enforce reasonable work rules and regulations (provided it does not violate any article of the collective bargaining agreement), and the right to promote, demote, transfer, hire, rehire, discipline, discharge, and to determine the job content and qualifications of employees, and the USW agrees these rights are vested exclusively within PRS. Claims of discriminatory promotion, demotion, discipline, or discharge shall be subject to and decided through the Grievance Procedure and Arbitration Clause in this Agreement, except that the Grievance Procedure and Arbitration Clause shall not preclude, nor pre-empt, an employee's right or freedom to pursue a complaint, grievance, suit or other relief and/or remedy that may be available under any state or federal law or regulation.

### ARTICLE VI HOURS OF WORK

### Section 1. Definitions:

- (a) The payroll week consists of seven (7) days extending from midnight Sunday to midnight Sunday the following week.
- (b) The normal workweek consists of forty (40) hours within a payroll week.
- (c) The normal workday consists of eight (8) hours of work.
- (d) The normal hours for straight day workers are from 7:00 a.m. to 3:30 p.m., Monday through Friday with a thirty (30) minute non-paid lunch period. No time will be deducted for lunch periods when an employee's scheduled non-paid lunch period is delayed under the following circumstances:
  - 1. The delay is ordered by the employee's first-line manager.
  - 2. The delay causes the employee's lunch period to start five (5) hours or more after his starting time.
  - The minimum amount of time necessary will be taken to eat lunch and in no case to exceed thirty (30)
    minutes
  - 4. Shift workers will be permitted to have a lunch period beginning no later than five (5) hours after the beginning of a shift.
- (e) The term working schedule means the arrangement of shift hours to be worked and regular shift changes for employees working on shifts and the regular scheduled arrangement of hours to be worked by straight day workers.
- (f) Rules for the ten (10) hour day shift are as follows:
  - 1. Hours: 6:00 a.m. to 4:30 p.m.
  - 2. Friday will be the standard day off.
  - 3. On holiday weeks, see clarification of special rules for 10-hour shift holiday weeks in Article VI Section 8 (e).
  - 4. In no case will employees working the newly established 10-hour shift schedule receive standard overtime or shift premium for hours worked in excess of eight (8) in a 24-hour period. Employees will receive pay for holdover, call-in, and work in excess of forty (40) hours in a payroll week in accordance with the terms of this contract.

- 5. An employee scheduled on a 10-hour shift who works a second day in addition to their normal schedule within the payroll week will be paid the seventh consecutive day at two (2) times the straight time hourly rate (STHR). However, the seventh-day provision will only apply to one day within the payroll week as follows:
  - a) In the event more than one day could be considered the seventh consecutive day, the day with the greatest number of hours worked (10 hours or more) will be the qualifying seventh day and all hours worked will be paid at two (2) times the STHR. If the qualifying seventh day is less than a 10-hour work day provision (b) applies.
  - b) On the occasion when two days have qualified as the seventh consecutive day and neither of those days were ten (10) hours or more, hours worked on both days up to a total of ten (10) hours will be paid at two (2) times the STHR. Additional overtime hours will be paid at one and one-half (1.5) times the STHR.
- 6. Meal allowance will be paid after ten (10) hours of continuous and successive hours.
- 7. Funeral leave allowance will be counted as three 10-hour days. As a special provision, in the event of the death of an employee's spouse or child, funeral leave allowance will be counted as four 10-hour days.
- 8. Overtime will be distributed in accordance with overtime rules.
- 9. These conditions are not all inclusive and unanticipated situations may arise. The company and USW will address such occurrences being guided by the intent of this agreement that no employee will receive a windfall under the contract by virtue of working a 10-hour rather than an eight-hour shift.
- (g) Rules for the twelve (12) hour rotating shift are as follows:
  - 1. Hours: 7:00 a.m. to 7:00 p.m. and 7:00 p.m. to 7:00 a.m.
  - 2. Consists of two 40-hour, one 44-hour, and one 36-hour work weeks.
  - 3. In no case will employees working the newly established 12-hour shift schedules receive standard overtime for hours worked in excess of eight in a 24-hour period. Employees will receive pay for holdover, call-in, and work in excess of 40 hours in a payroll week in accordance with the terms of the contract.
  - 4. Employees receive four hours at the overtime rate once every three weeks when they work the scheduled 44-hour work week.
  - 5. Double time pay for all hours worked on the seventh consecutive day worked in any payroll week or in the alternative, provided all scheduled work days in a payroll week are worked or paid for per Article VI, Section 14, an employee scheduled on a 12-hour shift who works a second day in addition to their normal schedule within the payroll week will be paid the seventh consecutive day at two (2) times the straight time hourly rate (STHR). However, the seventh day provision will only apply to one day within the payroll week as follows:
    - a) In the event more than one day could be considered the seventh consecutive day, the day with the greatest number of hours worked (twelve hours or more) will be the qualifying seventh day and all hours worked will be paid at two (2) times the STHR. If the qualifying seventh day is less than a 12-hour work day provision (b) applies.
    - b) On the occasion when two days could have qualified as the seventh consecutive day and neither of those days were twelve hours or more, hours worked on both days up to a total of twelve hours will be paid at two (2) times the STHR. Any additional overtime hours will be paid at one and one-half (1.5) times the STHR.
  - 6. For working 12 hours on holiday, employee receives double time and a half (2.5) for eight (8) of the hours and straight time for four (4) of the hours.
  - 7. When two worked holidays fall back-to-back and an employee begins work at 7:00 p.m. on the first holiday, he will receive sixteen (16) hours pay at double time and a half.
- 8. Weekend premium will be paid for all hours worked on Saturday and Sunday.

- 9. Shift premium will be paid at sixty (60) cents per hour for hours worked between 7:00 p.m. and 7:00 a.m. No shift premium will be paid for hours worked between 7:00 a.m. and 7:00 p.m.
- 10. When holdover is necessary, the employee may be held over to work four (4) hours and an employee from the overtime list on off shift will be called in to work.
- 11. Meal allowance will be paid after fourteen (14) hours of continuous and successive hours.
- 12. Funeral leave allowance will be counted as three 12-hour days. As a special provision, in the event of the death of an employee's spouse or child, funeral leave allowance will be counted as four 12-hour days.
- 13. Overtime will be distributed in accordance with overtime rules.
- 14. These conditions are not all inclusive and unanticipated situations may arise. The company and the USW will address such occurrences being guided by the intent of this agreement that no employee will receive a windfall under the contract by virtue of working a 12-hour rather than an 8-hour shift.

### Section 2.

- (a) The provisions of this contract shall not be considered as a guarantee by the Company of a minimum number of hours per day or per week, or pay in lieu thereof, nor a limitation on the maximum hours per day or per week, which may be required to meet operating conditions.
- (b) The Company may adjust the working schedule of employees in any group to meet operating requirements and employees may be assigned regularly or temporarily to a schedule other than the normal hours. Plant seniority shift preference within a group will be granted annually to employees upon request. Such annual request must be made no later than January 1, with any change resulting there from to be made not later than the week beginning after March 1.
  - Such preference may be exercised between seven (7) day rotating shifts and five (5) day rotating shifts and other specific shifts except that such preference cannot be exercised between individual letter shifts within a given rotating shift.
  - Seniority shift preference within a shift preference group will be granted in filling vacancies lasting more than five (5) working days. Seniority shift preference will not apply to PTO relief or to vacancies caused by exercise of seniority shift preference. An employee must be qualified to perform the work involved when a vacancy occurs other than the annual exercise of seniority shift preference.
- (c) Employees who work overtime shall not be required to take time off to offset the overtime work.
- (d) If a change is made in an employee's work schedule from one established shift to another established shift for the payroll week in which he is notified or less than twenty-four (24) hours prior to the beginning of the payroll week, such employee will be paid for the first eight (8) hours worked on the new schedule at one and one-half (1.5) times the employee's straight-time hourly rate, except when such change is made at the request of or for the convenience of the employee. A change in scheduled days off will be considered a shift change.

Section 3. One and one-half (1.5) times the straight-time hourly rate shall be paid for all hours worked in excess of eight (8) in any twenty-four (24) hour period or for all hours worked in excess of forty (40) within the applicable payroll week as defined in Section 1 of this Article, whichever of these alternatives provides at the end of the payroll week the greater total pay. An employee who is required to work in excess of sixteen (16) continuous hours, excluding the non-paid lunch hour of a day worker, shall be paid two (2) times the straight-time hourly rate for all such continuous hours worked in excess of sixteen (16).

**NOTE:** Exceptions to the above are contained in the specific rules for the 10-hour day shift and the 12-hour rotating shift in Section 1, paragraphs (f) and (g) above.

Section 4. An employee who has left the plant and is called in by the Company to perform work outside of his regular scheduled shift will receive not less than four (4) hours pay at straight-time, or pay at one and one-half (1.5) times his regular rate as overtime pay for such work performed, whichever is greater.

### Section 5.

- (a) An employee who reports for work on his regular shift without previously having been notified not to report, will be given at least four (4) hours work, or if no work is available, four (4) hours pay, except that if work is unavailable as the result of causes beyond the control of the Company, it shall not be so obligated.
- (b) Failure on the part of an employee to keep the Company informed of his current telephone number will relieve the Company of its responsibility under this section of the contract.

### Section 6.

- (a) Overtime will be distributed in such a manner that each employee within an overtime group will receive his fair share. An overtime spread of sixteen (16) hours between the low employee in the overtime group and the high employee will be considered a reasonable and fair distribution of overtime among employees in the group. Overtime offered and refused will be counted as overtime worked. A record of overtime will be kept up to date and posted in an accessible location to enable employees to review. The overtime rules shall continue to be used as a means to implement the fair distribution of overtime within an overtime group. An employee can be on only one overtime list at a time. In scheduled overtime situations where an employee is improperly bypassed for overtime in violation of the Contract, the bypassed employee will be compensated by awarding him pay for the hours bypassed at the applicable rate. The overtime list will then be adjusted to reflect this award.
- (b) Overtime will be distributed in four (4), six (6), eight (8), ten (10), and twelve (12) hour increments; however, two (2) hour overtime increments can be offered in conjunction with a normally scheduled ten (10) hour work day.
  - (1) Overtime lists will be created and maintained using employees from two project groups:
    - a) Facilities Disposition
    - b) Materials Disposition
  - (2) These overtime lists will be used as primary and alternative overtime lists for four (4) projects; Facilities Disposition (FD), Materials Disposition (MD), Environmental Remediation (ER), and Environmental Management (EM). The schedule of primary and alternative lists are as follows:

Project Group	Primary Overtime List	Alternative Overtime List
Facilities Disposition	FD	MD
Materials Disposition	MD	FD
Environmental Remediation	FD	MD
Environmental Management	MD	FD

- (3) An alternative list will be polled prior to the utilization of compulsory (forced) overtime.
- (4) If compulsory overtime becomes necessary, a compulsory list will be created and maintained. The initial list will be compiled by inverted seniority; then after each employee has initially worked compulsory overtime, the list will be rearranged by total hours worked. If more than one employee has the same total hours, the least senior employee will be placed above the more senior employees on the list.
- (5) An employee who resides on one overtime list, and who works overtime in an area governed by another list, will have those hours worked applied to the employee's normal overtime list.

- (c) The Company and the Union will establish a list of "Overtime Rules." These rules will be displayed along with the regular and compulsory overtime lists.
- (d) Sleeping accommodations will be provided for these employees held over on compulsory overtime assignments and who are without transportation.
- (e) Employees held over past their scheduled quitting time will be provided with a minimum of two (2) hours of work except in those instances where tardy relief is the cause of the holdover. When necessary, an employee on tardy relief will be furnished transportation home within a reasonable time.
- (f) Should an issue arise with the administration and/or distribution of overtime, the Company and the Union will meet to discuss and seek resolution of the issue.

### Section 7.

(a) An employee who is required to work overtime and who works ten (10) or more continuous and successive hours (excluding the noon lunch period of a day worker) will be paid a meal allowance of five dollars (\$5.00), which will be included in his regular pay check. An additional meal allowance will be allowed for each four (4) hours of consecutive work performed thereafter. If an employee is paid a meal allowance and arrangements are not made for him to have time to eat within the hour thereafter, he will be credited with thirty (30) minutes additional work time.

Note: Exceptions to the above are contained in the specific rules for the 10-hour day shift and the 12-hour rotating shift in Section 1, paragraphs (f) and (g) above.

(b) No time will be deducted for lunch periods during such overtime work, it being understood that they will be made as short as possible and in no case exceed thirty (30) minutes.

### Section 8.

- (a) The following are recognized holidays: New Year's Day, Martin Luther King, Jr.'s Birthday, Good Friday, the last Monday in May, Independence Day, Companion to Independence Day, Labor Day, Thanksgiving Day, the day following Thanksgiving Day, Christmas Eve, and Christmas Day. Martin Luther King, Jr.'s Birthday is observed on the third Monday in January. If any of the above holidays fall on Sunday, Monday shall be recognized as the holiday. If any of the above holidays fall on Saturday, the preceding Friday shall be recognized as the holiday except that any employee normally scheduled to work on one of the above recognized calendar holidays that fall on Saturday or Sunday, such recognized calendar holiday will be his recognized holiday. If any of the above holidays fall on an employee's scheduled off day, his first succeeding scheduled work day shall be recognized as the holiday except that where Thanksgiving Day or Christmas Eve falls on an employee's scheduled off day, it will be recognized on the first preceding scheduled work day.
- (b) A rate of two and one-half (2.5) times the straight-time hourly rate shall be paid for all hours worked on the eleven (11) recognized holidays.
- (c) Employees will be paid for recognized holidays not worked an amount equivalent to eight (8) times the employees' straight-time hourly rate, subject to the following conditions:
  - (1) Such pay shall be made to the employee only if the recognized holiday would normally have been worked by the employee if it had not been a holiday.
  - (2) An employee who is instructed to work on a holiday but who fails to report and does not have an acceptable excuse will receive no pay for the holiday.
  - (3) To be eligible for holiday pay an employee must report for work on his last regularly scheduled working day immediately preceding the holiday and the first regularly scheduled workday immediately following his holiday, unless excused by the Company.
  - (4) Special holiday rules concerning the 10-hour work day are listed in Paragraph (e) below.

- (d) If a designated holiday occurs during an employee's (PTO) and that employee would otherwise have been scheduled to work on that day had it not been a holiday, such employee shall receive eight (8) hours pay at his straight-time hourly rate in addition to his PTO pay. At the request of the employee, the first-line manager may, at his discretion, grant the employee an extra day off without pay immediately preceding or following his PTO. Such days of absence will not be used for corrective absentee control measures.
- (e) Clarification of special rules for holiday weeks:

Weeks with recognized holidays will be worked in accordance with the normal rules for a 10-hour work day with the following provisions.

- 1. On weeks when one (1) recognized holiday occurs, the following will apply:
  - a. Recognized holidays will be paid at ten (10) hours.
  - b. The three (3) remaining work days will be worked as ten (10) hour days.
  - c. For the purpose of calculating pay, holiday hours will be considered as hours worked.
  - d. Additional hours worked within the holiday week will be paid at the applicable overtime rate.
  - e. Holidays that fall on a Friday will be observed on the preceding Thursday.
- 2. On weeks where two (2) recognized holidays occur within the same week, the following will apply:
  - a. The two remaining work days will be worked as twelve (12) hour days and will be paid at the applicable straight time hourly rate.
  - b. For the purpose of calculating overtime pay, holiday hours will not be considered as hours worked, except that additional hours worked beyond the two (2) regularly scheduled twelve (12) hour work days, will be paid at the applicable overtime rate.
  - c. On weeks where two consecutive holidays fall on Thursday and Friday, the holidays will be observed on Wednesday and Thursday.

Section 9. Two (2) times the straight time hourly rate will be paid for all hours worked on the seventh (7<sup>th</sup>) consecutive day worked in any payroll week.

Note: Special rules for the seventh (7<sup>th</sup>) consecutive day paid are contained in the rules for the 10 hour day shift and the 12-hour rotating shift in Section 1, paragraphs (f) and (g) above.

Section 10. Overtime premium shall not be duplicated for the same hours under any of the terms of this contract, and to the extent that hours are compensated for at overtime premium rate under one provision they shall not be counted as hours worked in determining overtime compensation under the same or any other provision.

Section 11. Employees may not trade shifts or days off except with the prior approval of their respective first-line manager and further provided that no overtime premium is involved.

Section 12. An employee who is called for jury duty may be excused from work upon presentation of court notice to his immediate first-line manager. The employee who has been so excused will be paid his normal straight-time earnings and the fees received from the court, provided he submits evidence of the amount received from the court. Only the number of his scheduled work days actually spent in court are counted in calculating payment. Employees who would be working the hours between 7:00 a.m. and 3:30 p.m. were they not on jury duty who are not called at the opening of court for actual jury duty and who are excused for the remainder of the day shall report to work within a reasonable time after being excused. An employee will not be required to change shifts because of jury duty.

Section 13. Employees who are unable to vote because of a conflict between voting hours and scheduled working hours in a national, state, county, or municipal election will be allowed sufficient time off to vote provided that they are eligible to vote. Such eligible voting employees will be paid for such absence for a period not to exceed two (2) hours.

Section 14. In determining if an employee is to be paid in accordance with Section 3 and Section 9 of Article VI, each of the holidays in Section 8, which would ordinarily have been worked, and hours compensated for at time and one-half (1.5) under Article VI, Section 2 (d), and those days for which an employee is paid by the Company for jury duty in accordance with Section 12 will count as a day worked. Also, PTO, funeral leave, and holiday option days taken by an employee will count as a day worked in determining if an employee is to be compensated at time and one-half for all hours worked in excess of forty (40) hours within the applicable payroll week.

### Section 15.

- (a) An employee excused for such time as may reasonably be needed for the purpose of attending the funeral of a member of his immediate family will be paid his basic straight-time hourly rate for any or all of three (3) regularly scheduled workdays during the period beginning with the day of death and ending with the day after such funeral. Under the conditions established by the contract, up to four (4) days will be granted to attend a funeral more than three hundred and fifty (350) miles from Paducah, Kentucky. As a special provision, in the event of the death of an employee's spouse or child, the employee will be paid his/her basic straight-time hourly rate for any or all four (4) regularly scheduled work days during the period beginning with the day of death and ending with the second day after such funeral. For the purpose of this section, the term "a member of his immediate family" shall be defined as, and limited to, the following: spouse, children, parents, grandparents, great-grandparents, grandchildren, stepparents, brother, sister, stepbrother, stepsister, parents-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, step-children and grandparents, great-grandparents, and step-grandparents of the spouse of the employee.
- (b) If a death occurs in an employee's immediate family while he is on PTO, he should promptly notify his manager. The employee will be permitted to cancel only those hours of PTO remaining after notification to his manager, providing he qualifies for funeral pay for those hours under this section.

### ARTICLE VII WAGES

### Section 1.

- (a) Effective 12:01 a.m. July 31, 2006, all rates in all rate groups will be increased three and five-tenths (3.5) percent. (Appendix A, Table 1A)
- (b) Effective 12:01 a.m. July 30, 2007, all rates in all rate groups will be increased three (3) percent. (Appendix A, Table 1B)
- (c) Effective 12:01 a.m. July 28, 2008, all rates in all rate groups will be increased three (3) percent. (Appendix A, Table 1 C)
- (d) Effective 12:01 a.m. July 27, 2009, all rates in all rate groups will be increased three (3) percent. (Appendix A, Table 1D)
- (e) Any premium pay referred to in this contract is to be excluded from the calculations of pay unless specifically included.
- (f) A \$1500 signing bonus will be paid to each Bargaining Unit member during the first week of October, 2006.

Section 2. An employee shall receive a shift premium of forty (40) cents per hour for work performed on the evening shift (3:30 p.m. to 11:30 p.m.), and a shift premium of seventy (70) cents per hour for work performed on the midnight shift (11:30 p.m. to 7:30 a.m.) except that no shift premium shall be paid to day shift employees for work performed between 7:00 a.m. and 3:30 p.m.

Section 3. There will be no discrimination because of sex in the application of wage schedule.

Section 4. When an employee is transferred permanently to a job paying a higher rate, he shall immediately receive the higher rate of pay.

### Section 5.

- (a) An employee who at the request of the Company is temporarily required to do the work in a classification other than his own shall suffer no reduction in his rate of pay.
- (b) When an employee is assigned temporarily to a job in a higher classification, the temporary reclassification and rate will be made effective for all hours worked on the first day that an employee performs work in the higher classification for two (2) or more hours. When assigned to the new classification, the employee will be paid the top rate of the new classification.
- (c) Work Force Work Load Flexibility:

### (A) Skilled Crafts:

- 1) A Skilled Craft employee (i.e., maintenance mechanic, electrician, and heavy equipment operators) will be permitted to assist other job classifications outside of their designated job classification under the following provisions:
  - a. No Skilled Craft employee will be assigned support work if "core work" is available in his respective job classification, unless a higher workload priority has been established for the assigned support work.
    - 1) If there are insufficient employees to handle the prioritized work load, Skilled Craft employees can be temporarily assigned to support the prioritized work.
    - 2) Only the required number of Skilled Craft employees that are needed to fulfill the staffing requirements shall be temporarily assigned to prioritized support work.
    - 3) Upon completion of the prioritized support work, the Skilled Craft employee shall return to his respective "core work."
  - b. No. Skilled Craft employee will perform the "core work" of another Skilled Craft employee.
  - c. No Skilled Craft employee will perform support work unless accompanied by an employee who normally performs that work.
  - d. If a Skilled Craft employee is required to perform support work, he shall not displace another employee who would have otherwise performed that work.
  - e. If a Skilled Craft employee is assigned support work, his "core work" will not be performed by another employee.
  - f. No present job classifications shall be abolished or rendered obsolete as a result of assigning Skilled Craft employees to support work.
  - g. A Skilled Craft employee shall perform support work at his applicable rate of pay.
  - h. Skilled Craft employees will be assigned support work on a rotational basis.

### 2) Definitions:

- a. <u>Core Work</u> Is that work scope that requires a specific skill or specialized training in order to be performed. Core Work is performed by Skilled Craft employees only.
- b. <u>Support Work</u> Is that work scope where a Skilled Craft employee can be utilized when no "core work" is available, or when a higher priority work scope requires additional work forces.

### (B) "A" Operators:

- 1) An "A" Operator will continue to perform that scope of work which he has traditionally and historically performed (i.e., hazardous materials decontamination, PCB disposition, drum crushing, etc.) but can be assigned to assist other classifications under the following provisions:
  - a) An "A" operator shall not be assigned to perform the "core work" of any Skilled Craft employee.
  - b) An "A" operator can be assigned to support a Skilled Craft employee if that support results in the ability of an "A" operator to directly perform his work.
  - c) No "A" operator shall perform support work unless accompanied by an employee who normally performs that work.
  - d) An "A" operator shall perform support work at his applicable hourly rate of pay.
  - e) No "A" operator assigned to support work, shall displace another classification who would have otherwise performed that work
  - f) No present job classifications shall be abolished or rendered obsolete as a result of assigning "A" operators to perform support work.

### (C) Remaining active job classifications:

- 1) The remaining job classifications (i.e., "B" operators, truck drivers, laborers, etc) will continue to be temporarily reclassified (TR) per the applicable contract language.
  - a) No present job classifications shall be abolished or rendered obsolete as a result of utilizing the TR language.

No employee will be assigned any support work that he is not qualified or properly trained to perform.

Section 6. An employee, who works Saturday and/or Sunday as part of his normal workweek, will receive an additional forty (40) cents per hour for such hours worked on Saturday and an additional sixty (60) cents per hour for such hours worked on Sunday. In no case shall such payment be applied to hours paid for at overtime, holiday, or premium rates.

### Section 7. Cost of Living Allowance (COLA)

All employees within the Bargaining Unit as defined in Article II of this Agreement shall be covered by a COLA as defined and set forth in this section.

- (a) The amount of the COLA shall be determined and re-determined as provided below in accordance with changes in the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84 CPI-W = 100) published by the Bureau of Labor Statistics of the United States Department of Labor, and referred to herein as "Index." The COLA shall be based on a one (1) cent per hour adjustment for each full 0.1 point change in the Index as provided herein.
- (b) (1) After July 16, 2006, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment which may be due under this Section shall be the Index for June of 2006 (published in July of 2006). Adjustments shall be made November 6, 2006; February 5, 2007; May 7, 2007; and August 6, 2007, if appropriate.

- (2) After July 15, 2007, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base shall be the Index for June of 2007(published in July of 2007). Adjustments shall be made November 5, 2007; February 4, 2008; May 5, 2008; and August 4, 2008, if appropriate.
- (3) After July 14, 2008, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment which may be due under this Section shall be the Index for June of 2008 (published in July of 2008). Adjustments shall be made November 3, 2008; February 2, 2009; and May 4, 2009, August 3, 2009 if appropriate.
- (4) After July 19, 2009, Cost of Living adjustments shall be made and shall be payable quarterly when/and if the Index increases in excess of four (4) percent of the base index described below. The base to calculate the initial adjustment, which may be due under this Section, shall be the Index for June of 2009 (published in July of 2009). Adjustments shall be made November 2, 2009; February 1, 2010; and May 3, 2010, if appropriate.
- (c) In computing overtime pay, PTO pay, holiday pay, call-in pay, disability pay, jury duty pay, funeral leave pay, and military makeup pay as provided in this Agreement, the amount of any COLA then in effect shall be included.
- (d) In the event that the Bureau of Labor Statistics does not issue the Index on or before the beginning of the pay period referred to in Paragraph (b) above, any adjustment required will be made at the beginning of the first pay period after receipt of the Index.
- (e) No adjustment, retroactive or otherwise, shall be made in the amount of the COLA due to any revision which may later be made in the published figures for the Index for any month on the basis of which the Cost of Living has been determined.
- (f) The continuance of the COLA as herein provided is dependent upon the continued availability of the official monthly Index in its present form and calculated on the same basis as the currently published Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (1982-84 CPI-W = 100) unless otherwise agreed upon by the Company and the USW.
- (g) COLA being paid shall be considered as wages for the purpose of pension, group insurance and savings plan.

Section 8. Employees required to perform a shift turnover will be paid two times the straight time hourly rate for each twelve minute shift turnover completed.

### ARTICLE VIII LAYOFF ALLOWANCE

Section 1. Layoff allowance for an employee terminated from the payroll on account of reduction in force or because of occupational or non occupational disability shall be in accordance with the following schedule:

Service Credit	Allowance
Under 12 weeks	No allowance
12 weeks-1 year	Same proportion of 1 week's pay as completed months of service are of 12 months
1 year-3 years	1 week (or 40 hours)
3 years-5 years	2 weeks (or 80 hours)
5 years - 7 years	3 weeks (or 120 hours)
7 years-10 years	4 weeks (or 160 hours)
10 years	6 weeks (or 240 hours)
11 years or more	Same as for 10 years plus 1 week (or 40 hours) for each added year of service

Section 2. An employee who is rehired and subsequently laid off from the payroll will receive layoff allowance based on his most recent rehire date.

Section 3. A layoff allowance applicable to retirement terminations will be paid in accordance with the Table in Section 1 of this Article for Company Service Credit as of January 1, 1967. Retirement layoff allowance will not be applicable to any new employee nor for Company Service Credit of present employees accrued after January 1, 1967.

Section 4. If the contract between the government and the Company is terminated and not renewed during the term of this contract and an employee becomes the employee of a successor contractor within ten (10) days of the date of change in contractors, layoff allowance will not be payable to such transferred employee by the Company. It is understood that any employee who may be so transferred and laid off by the successor contractor during the term of this contract shall suffer no loss of benefits accrued under this Article. If an employee is not transferred to the successor contractor within the above-mentioned ten (10) days and is laid off, he will receive benefits from the Company as set forth in this Article.

# ARTICLE IX DISABILITY PAY

### Section 1. Short Term Disability Plan

Effective July 16, 2001, an employee disabled and unable to work due to illness, pregnancy, or occupational or nonoccupational injury, will be paid 100% of his basic straight-time hourly rate in accordance with the terms and conditions of the PRS Short Term Disability Plan, which is contained in the "PRS Policy and Procedures." Such Employee's Benefits Handbook is to be considered a part of this collective bargaining agreement and provides for payment in accordance with the following schedule:

# Company Service CreditMaximum Number of Months of Payment Per Absenceat least 1 month but less than 2 months1at least 2 months but less than 3 months2at least 3 months but less than 4 months3at least 4 months but less than 5 months4at least 5 months but less than 6 months5

### Section 2. Long Term Disability Plan

at least 6 or more months

Effective July 16, 2001, an employee totally disabled for six months will become eligible to receive sixty percent (60%) of his monthly basic straight time rate up to a specified maximum monthly benefit paid in accordance with the terms and conditions of the Long Term Disability Plan, which is contained in the "PRS Policy and Procedures." Such Employee's Benefits Handbook is to be considered a part of this collective bargaining agreement as referred to in Section 1 above and will be paid, if he is totally and permanently disabled as defined in the above-referenced handbook, until he reaches age 65. Under specified circumstances, such benefits will continue beyond age 65. Such benefits will be reduced by any income benefits the employee is eligible to receive from other sources such as Social Security, Worker's Compensation, other statutory benefits, and other Company benefit plans.

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If a dispute arises as a result of an employee's claim that he or she is totally and permanently disabled as defined in the above-referenced handbook or that such employee continues to be totally and permanently disabled the dispute shall be resolved in the following manner upon the filing with the Company of a written request for review by such employee not more than 60 days after receipt of denial:

The employee shall be examined by a physician appointed for the purpose by the Company and by a physician appointed for the purpose by the USW. If they disagree concerning whether the employee is totally and permanently disabled, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician, after examination by him or her of the employee and consultation with the other two physicians, shall be final and binding on the Company, the USW, and the employee. The fees and expenses of the third physician shall be shared equally by the Company and the USW.

### **Section 3.** Conditions of Payment

- (a) Payments under the Short Term and Long Term Disability Plans referred to in Sections 1 and 2 of this Article will not be made for the following:
  - (1) Any disability occurring during the first 12 months that the employee's plan coverage is in effect if caused by any condition for which he received treatment during the three month period before his coverage became effective; or
  - (2) Any period of incapacity beyond the third consecutive calendar day during which the employee is not under treatment by a licensed practicing physician; or
  - (3) Any disability caused directly or indirectly by war declared or undeclared; or
  - (4) Any intentionally self-inflicted injury; or
  - (5) Any disability resulting from commission of a felony; or
  - (6) Any disability due to willful misconduct, violation of plant rules, or refusal to use safety appliances.

- (b) Payments under these plans will be made only to employees whose absence is due to non occupational or occupational disability and will not be paid to employees who are absent for other reasons.
- (c) Payments will only be made when the Company is provided, if it so requests, with a doctor's certificate, subject to confirmation by a doctor selected by the Company, as proof that the employee's absence was due to legitimate non occupational or occupational illness or injury. Under normal circumstances, a doctor's certification will not be requested by the Company during the first three consecutive calendar days of the absence. However, certification may be requested by the Company for any or all of the first three days if the Company has reason to question the absence.
- (d) Payments will only be made when employees properly report their absence and the cause of their absence to the proper Company representative in a prompt manner.
- (e) Payments are applicable only for the normal workweek and normal work day. In case working hours of the plant are changed, it is understood that payment under the above schedule will be changed in direct proportion to the change in working hours.
- (1) It is recognized by the USW that the Company has a continuing interest in reducing absenteeism, no matter what the cause.

### Section 4. Administration of Plans

(a) Short Term Disability (STD) Plan:

The administration of the Short Term Disability Plan and the payment of benefits under this plan shall be handled by the Company.

(b) Long Term Disability (LTD) Plan:

The administration of the Long Term Disability Plan and the payment of benefits under this Plan shall be handled directly by the insurance company, it being understood that a claimant whose benefits claim is denied may contest such denial with the insurance company, but that he or she shall have no redress whatsoever against the Company. It is agreed, however, that in any case in which an employee claiming benefits under this Plan and desiring to file such claim with the insurance company becomes engaged in a non medical factual dispute with the Company in connection with such claim (such as a disagreement over his or her earnings group, eligibility, employment status, amount of Company Service Credit or other non medical factual question) such employee and the USW may process a grievance in accordance with the terms of this contract. It is agreed, however, that any and all medical questions in dispute shall be determined solely by the insurance company, except as provided under the second paragraph of Section 2 of this Article. It is understood that the Company shall retain the right to select and arrange with an insurance company to provide certain benefits available under these Plans; and to replace the insurance company from time to time as it may deem appropriate.

### Section 5. Company Service Credit during Approved Nonoccupational or Occupational Absences

An employee who is disabled and unable to work will receive Company Service Credit for the period of his Short Term Disability approved by the Company and/or the period of his Long Term Disability approved by the insurance company.

# ARTICLE X LEAVE OF ABSENCE

Section 1. Leave of absence, without pay, up to fifteen (15) consecutive calendar days shall be granted upon presentation by an employee of evidence acceptable to the Company that such leave of absence is for a reasonable purpose, and provided further that such leave will not interfere with operations.

### Section 2.

- (a) Upon written request to the Company made by the USW a reasonable period in advance, an employee certified by the USW to be a full-time USW official may be granted a leave of absence without pay to engage in work pertaining to the business of the USW. The number of employee's granted such leaves of absence may not exceed six (6) per thousand (1000) employees at any time.
- (b) An employee certified by the USW to be a full-time USW official shall be granted not more than one (1) thirty (30) day leave of absence in any calendar year renewable only in increments of two (2) years if an official elects to accept a full-time assignment with the USW. Such leaves shall be granted only at such times as will not interfere with operations. The Company will give advance notice of the expiration of the long-term [two (2) years] leave.
- (c) An employee granted such leave of absence must return all security identification issued to him.

### Section 3.

- (a) An employee who returns to work after a leave of absence as described in Sections 1 and 2 of this Article will be reinstated in the job classification group which he left and for which he is physically qualified provided he has more seniority than the least senior employee in said job classification.
- (b) Unless excused, an employee who does not return to work within five (5) days following the expiration of his leave of absence will be considered as having resigned voluntarily and will forfeit all of his seniority rights.

Section 4. The group insurance of an employee will be continued in force during such authorized leave of absence in case and in such manner as the provisions of the Company group insurance contract permit, provided that he pays his share of the group insurance premium at least monthly in advance.

Section 5. The hospitalization and surgical plan insurance of an employee will be continued in force during such authorized leave of absence in case and in such manner as the provisions of the Company insurance contract permit provided that he pays the full premium at least monthly in advance.

Section 6. The Company will comply with the Family and Medical Leave Act (FMLA) of 1993.

### ARTICLE XI PAID TIME OFF (PTO)

\* Note: Paid Time Off (PTO) is inclusive of vacation and sick time

### Section 1. PTO Eligibility:

An employee must complete one (1) year of Company Service Credit to obtain initial eligibility for eighty (80) hours of PTO; however, forty (40) hours of this initial PTO eligibility maybe taken after completing six (6) months of Company Service Credit.

(a) During calendar years in which an employee completes from two (2) through four (4) years of Company Service Credit, he shall receive (eighty) 80 hours of PTO.

- (b) During calendar years in which an employee completes from five (5) through nine (9) years of Company Service Credit, he shall receive one-hundred and twenty (120) hours of PTO.
- (c) During calendar years in which an employee completes from ten (10) through nineteen (19) years of Company Service Credit, he shall receive one-hundred and sixty (160) hours of PTO.
- (d) During calendar years in which an employee completes from twenty (20) through twenty-nine (29) years of Company Service Credit, he shall receive two-hundred (200) hours of PTO.
- (e) During calendar years in which an employee completes thirty (30) or more years of Company Service Credit, he shall receive two-hundred and forty (240) hours of PTO.
- (g) Fifty (50) hours of additional PTO will be credited to each employee at the start of the contract (July 31, 2006) and at the beginning of each calendar year for the remaining years of the contract.

### Section 2. PTO Regulations

- (a) The PTO regulations are not applicable to part-time, intermittent, or temporary employees.
- (b) PTO will be for the full calendar year.
- (c) An employee must complete the minimum Company Service Credit noted in Article XI before PTO eligibility begins.
- (d) PTO payments will be calculated based on an employee's straight-time hourly rate, plus any applicable shift differential in effect at the time the PTO is used.
- (e) An employee who leaves the Company for any reason will be paid for any accrued PTO provided the minimum eligibility requirements were met. In case of death, survivors of the employee will receive pay for any accrued PTO.
- (f) PTO may be taken at a minimum of one (1) hour increments.
- (g) The front line supervisor will have absolute discretion to approve or disapprove a PTO request. Under normal circumstances, PTO requests should be scheduled in advance and will be granted unless operational needs are adversely impacted.
- (h) If an employee is recalled following an involuntary reduction in force (layoff) and has completed the minimum eligibility requirements for PTO, then the PTO will be reinstated without a waiting period, except that PTO will not be duplicated within the same calendar year.
- (i) PTO will not be affected by a disability absence.
- (j) The maximum amount of PTO that may be accrued is four-hundred and eighty (480) hours.
- (k) The maximum amount of PTO that may be taken in any calendar year is four-hundred and eighty (480) hours.
- (l) An employee who takes a leave of absence will be treated for PTO purposes in the same manner as if he were terminated as of his last day worked. However, if the leave does not extend into another calendar year, the employee may be permitted to postpone any current year PTO due until after his return to work.
- (m) If an employee has accrued four-hundred and eighty (480) hours of PTO, he may not postpone any additional PTO until the following year.
- (n) If a designated holiday occurs during an employees PTO, and that employee would otherwise have been scheduled to work on that holiday, the employee shall receive eight (8) hours of straight-time pay in addition to his PTO.
- (o) An employee with one (1) or more years of Company Service Credit who is on the payroll of the Company on December 31 of the year prior to the calendar year in which he is entitled to PTO with pay as set forth in the PTO Regulations, shall have a vested right on that day to such PTO for the following year. An employee is considered to be on the payroll of the Company unless he has previously been terminated or has otherwise ceased active work and is not expected to return to work because of disability or some other reason.

- (p) Except as provided for under Section 3 below, it is the intention of the Company to allow PTO whenever possible rather than to grant pay-in-lieu of PTO.
- (q) Special holiday rules concerning the 10-hour work day are listed in Article VI, Section 8, paragraph (e).

### Section 3. Pay-in-lieu Option

- (a) During calendar years in which an employee completes ten (10) through twenty-nine (29) years of Company Service, the employee has the option of electing forty (40) hours of pay-in-lieu of PTO.
- (b) During calendar years when an employee completes thirty (30) or more years of Company Service, the employee has the option of electing forty (40) or eighty (80) hours of pay-in-lieu of PTO.
- (c) Pay-in-lieu of PTO will be paid concurrently with any full week of PTO, but shall not be divided into units of less than forty (40) hours.
- (d) Pay-in-lieu shall not be used in the calculation of compensation for other benefits plan purposes or any overtime or other premium payments.
- (e) PTO carried forward is not subject to payment in lieu except in the case of termination.

# ARTICLE XII SENIORITY

### Section 1. Definitions

- (a) A <u>vacancy</u> is said to exist in a job classification when there is a need for a permanent replacement or addition.
- (b) An employee is said to be <u>laid off</u> when he leaves a job classification because of an involuntary reduction in force. An employee who accepts a Voluntary Reduction in Force (VRIF) will not be considered as having been laid off under the terms of this contract and addendum."
- (c) The <u>recall list</u> is that list on which an employee will be placed at the time he is laid off from a specific job classification. Recall is only allowable to the job classification that the employee was displaced from.
- (d) An employee can only be carried on one (1) recall list at a time.
- (e) Bumping rights shall only apply to employees of PRS and their subcontractors. Bumping rights are not portable to other employers on the plant site.

### Section 2.

- (a) Plant seniority is based on the total length of recognized USW Local 550 (or its predecessor organizations) service of an employee. The seniority of each employee is his relative position with respect to other employees.
- (b) Group seniority is administered within the job classification groups outlined in Appendix B.
- (c) A new employee shall be considered a probationary employee for the first sixty (60) days worked and at the end of that period, if he is retained, his name will be placed on the Seniority List and his seniority shall date from the date of hire. A probationary employee shall be subject to layoff, discipline, or discharge at the sole discretion of the Company.
  - Note: Additional information concerning probationary periods can be found under General Provisions, paragraph ("d") of this contract.
- (d) An employee will lose his seniority when he is discharged, when he resigns, or when he is on the recall listing and declines or fails to report within five (5) days or makes satisfactory arrangements when offered employment in job classification from which he was laid off.

- (e) If recalled, a former employee who is on the recall listing shall continue to accumulate seniority up to four (4) consecutive years from his lay-off date. If a former employee is not recalled within four (4) consecutive years from the date of layoff his seniority will be recognized as the amount he/she had on the date of their last lay-off. An employee who is not recalled within four (4) consecutive years from the date of layoff will lose his recall rights.
- (f) Employees will retain and accumulate seniority during periods of excused absence or leave of absence.
- (g) (1) When an employee enters a job classification group by transfer from another group, he will acquire group seniority in the group which he has entered.
  - (2) If more than one (1) employee is transferred into a new job classification on the same day they will be placed on the seniority list in the new job classification according to their Bargaining Unit seniority.

### Section 3.

- (a) When a reduction in force is to be made in any job classification within a job classification group, the employee having the least amount of group seniority in the job classification shall be the first to be laid off. When a reduction in force is scheduled, PRS will provide four (4) weeks notice to the Local Union President.
- (b) Bumping shall be administered in the following manner: An employee being laid off shall, if his seniority allows, displace ('bump') the least senior employee among PRS or its subcontractors in the same job classification the employee was displaced from. If the employee's seniority is not sufficient to accomplish this, then the employee must then look to an equal rate of pay. If the employee's seniority is not sufficient to accomplish this, then the employee must bump into a job classification with a lower rate of pay. The lower pay rated job classification will be looked at in descending order until a job classification is found in which the employee has sufficient plant seniority to bump into. The employee will then displace the least senior employee within that job classification, or job classification group if the bumping employee is qualified to perform the job.
- (c) When a reduction in force is to be made in any job classification, the following employee in that job classification group may be retained irrespective of seniority.
  - A physically handicapped employee who by reason of occupational injury while employed by the Company merits special consideration.
- (d) When a subcontractor schedules a layoff, that subcontractor will provide four (4) weeks notice to PRS and the president of the local union. PRS will initiate the following steps to provide for continuing employment by:
  - 1. Transitioning the affected employees to vacancies with other subcontractors, provided work is available, or
  - 2. Transitioning employees to PRS, provided work is available.
  - 3. In the event no work is available in either of the two preceding steps, then the affected employee(s) may displace, if he/she so desires, the least senior employee with PRS and/or another subcontractor in an equal or lower rated job classification whose work he/she has the skills and qualifications to perform at the site. If necessary, the affected employee will have the opportunity to demonstrate to the subcontractor that he/she has the skills and qualifications necessary to perform the work. In filling these positions, PRS and/or the subcontractor shall provide job- and task-specific training to assure competent job performance provided that this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless PRS and/or the subcontractor opts to provide such training at its discretion.

### Section 4.

- (a) Vacancies will be filled according to terms outlined in the filling vacancies section of the PRS/USW contract addendum.
- (b) Job bids will be posted on the bulletin boards specifying job titles, general qualifications, rates of pay, and hours of work. Qualified employees in lower rated jobs within the Bargaining Unit may make application for such job bids within ten (10) calendar days following such posting. An employee interested in bidding may

request an appropriate job bid form from his manager who will assist him in submitting his bid to the Human Resources office for evaluation. The USW will receive a list of all job bids, which are accepted or rejected. When an employee is selected and accepts a job bid and the employee is not released within thirty (30) calendar days from the date of his acceptance, the bidder will then be reclassified, paid the new rate, and given a new group seniority date; however, in no case shall a new hire be placed on the seniority list ahead of a successful bidder or a non-USW employee who has expressed interest in that particular job bid and has been selected for the job.

- (c) An employee selected to fill a new job or vacancy will be given reasonable time, not more than twelve (12) weeks, with proper instructions, to learn the job before final decision is made of his ability to perform the job.
- (d) If it develops before the end of the twelve (12) week period that he is not capable of performing the new job, he shall be entitled to return to his former job with his former status.

Section 5. Employees who transfer out of the Bargaining Unit after the effective date of this contract cease to have any Bargaining Unit seniority thirty (30) calendar days after such transfer. If such employee so wishes, he may return to the Bargaining Unit within this thirty (30) day period without loss of seniority.

### Section 6.

- (a) Transfers will not be made for the specific purpose of discriminating against an employee.
- (b) Work normally associated with one classification at this site will not be transferred permanently to another classification. When he requests, a USW representative will be informed as to whether transfer of work is temporary or permanent. In no case will the transfer of work deny the use of the recall list for a period longer than thirty (30) calendar days. All work normally associated with a classification will be returned to the rightful classification before layoff occurs in that classification. The time a job has been performed on an out-of-classification basis will not be used exclusively in making a determination into which classification the work belongs in case of a layoff.

### ARTICLE XIII GRIEVANCE PROCEDURE

### Section 1.

(a) The Company will recognize the following number of properly certified Union representatives at the Paducah site for the purpose of representing employees in the manner as specified in this Grievance Procedure:

### Committeemen:

Two (2) committeemen, along with the local union president as chairman, shall constitute the Grievance Committee.

### Division I Committeeman shall represent the following classifications:

- 1. Maintenance Mechanics
- 2. Electricians
- 3. Heavy Equipment Operators
- 4. "A" Operators

### Division II Committeeman shall represent the following classifications:

- 1. "B" Operators
- 2. Truck drivers
- Laborers

Each committeeman shall have jurisdictional responsibilities over the classifications as described above, except that if one committeeman is unavailable to represent his designated classifications, the other committeeman shall serve as the alternate.

In the event additional classifications are utilized, a company representative and the local union president (or his designated representative), will meet to determine the jurisdictional responsibilities of the additional classification or classifications.

### Stewards:

The Union will be entitled to appoint Stewards from among the employees working for PRS and/or any PRS subcontractors. Stewards employed by one contractor shall not represent employees of another contractor, except that the President of the Local Union (or his designated representative), along with other appropriate officers shall, at all times, retain the right to represent employees. The number of Stewards shall be reasonable and sufficient to represent PRS and/or PRS subcontractor employees.

(b) Employees thus duly certified and recognized as USW representatives shall report to and obtain permission from their first-line manager whenever it becomes necessary to leave their work for the purpose of handling grievances in their respective areas, and shall inform their first-line manager of their intended destination and itinerary and shall report back to their first-line manager at the time they return to work. Upon request, certified USW representatives may be granted use of the telephone at reasonable times to handle grievances within their respective areas. Certified USW representatives may be excused for reasonable periods from their work without loss of pay when handling grievances or disputes in the appropriate steps of this Grievance Procedure. The Local USW President, or his designated representative, may be excused for reasonable periods from work without loss of pay when handling grievances in the Third Step of this Grievance Procedure. Permission to leave work as referred to above will be granted provided such absences do not conflict with efficient operation.

### Section 2.

First Step: An employee may allege a grievance under the terms of this contract and present such grievance to his first-line manager with or without his USW steward. In such case every effort will be made to provide a steward as soon as reasonably possible unless near the end of the shift time will not permit. Unless settlement is reached within four (4) days (the steward will receive the answer), such grievance may be presented by the stewards in writing to the first-line manager on an appropriate form within the next seven (7) days. The first-line manager shall give his decision in writing to the steward within two (2) days of presentation.

<u>Second Step:</u> A grievance not settled satisfactorily in the first step may be appealed by the Division Committee person with a copy of the written grievance and a written statement of the reasons for the appeal to the Employee Relations Department.

On Wednesday at 2:00 p.m., the Labor Relations manager or his designated representative will hear any accumulated grievances appealed in writing to this step at least twenty-four (24) hours prior to the meeting. The Labor Relations manager will consider such grievances and give written answer within four (4) days. This meeting may be attended by other Company representatives, including the immediate first-line manager of the employee, the steward, and the committeeperson from the respective area wherein the grievance originated.

Grievances arising out of discharge or disciplinary suspension may be initiated at this second step and heard at any reasonable time after an employee has protested the action to his immediate first-line manager and has failed to secure a satisfactory settlement. When an employee is called into a discussion which may result in disciplinary documentation including reprimand, suspension or being sent home, he will be provided USW representation if he so requests. A copy of the first-line manager's report prepared will be furnished to the USW.

<u>Third Step:</u> Grievances not settled satisfactorily in the second step may be appealed by the chairperson of the Grievance Committee or his designated employee representative to the manager of projects or his designated representative through the Labor Relations Department with a brief written statement of the reasons for the appeal.

On Monday at 2:00 p.m., the manager of projects, or his designated representative, will meet with the Grievance Committee if there are any accumulated grievances appealed in writing to this step at least twenty-four (24) hours prior to the meeting. Grievances will be answered in writing within ten (10) days.

The appropriate committeeperson, other Company representatives, international representatives of the USW, and the local USW president, or his designated representative may also attend the meeting, provided they have security clearance from the governmental agency having jurisdiction if that agency feels that such clearance is necessary.

Section 3. The answer of the Company in the third step shall be final and binding on the last day it is due unless the grievance is withdrawn prior to that date or is appealed to arbitration.

Section 4. Any grievances not taken up with the employee's immediate first-line manager within fifteen (15) days, exclusive of days of excused absence, after knowledge of the occurrence from which the grievance arose cannot thereafter be processed through the Grievance Procedure. A grievance will be considered withdrawn if the decision of the Company is not appealed to the next higher step in the above procedure within five (5) days after a decision has been rendered by the Company except that appeal to the third step may be made within ten (10) days. If the Company fails to answer a grievance within the specified time limits of this procedure, the USW's appeal will automatically progress to the next step of the Grievance Procedure.

Section 5. Every reasonable effort shall be made to settle grievances promptly. In the calculation of time limits under the Grievance and Arbitration Procedure, Saturdays, Sundays, and holidays are excluded.

Section 6. The USW shall notify the Company in writing promptly of the appointment or election of all Stewards, committeepersons and officers. Whenever a regular certified USW representative is absent from his job for any length of time, the USW may, if it feels it is necessary, appoint an assistant Steward or Committeeperson in place of the regular steward or committeeperson and shall notify the Company in writing in advance.

This appointee shall act in this capacity when the regular steward or committeeperson is not working and until the Company is notified by the USW that the appointment is canceled.

**Section 7.** All settlements of disputes or grievances will not vary the terms of the Contract. Any oral settlements will be non-precedent setting.

# ARTICLE XIV ARBITRATION

Section 1. If a grievance is not satisfactorily settled by the procedure outlined in Article XIII, the grievance may be submitted to arbitration if it involves the interpretation or application of the contract.

### Section 2.

- (a) Within fifteen (15) days or on the day after the next monthly USW meeting whichever is later, after the decision rendered by the Company in the third step of the Grievance Procedure either party desiring to arbitrate a matter may request the director of the Federal Mediation and Conciliation Service to submit the names of seven (7) arbitrators. Upon refusal of either party to join in such a request the other party may make the request. The USW and the Company shall alternately strike a name from the list (the first to strike shall be determined by lot) until the name of one individual remains. The decision of the arbitrator shall be rendered on the interpretation and application of the contract solely as it applies to the matter before him and shall not add to, disregard or modify any of the provisions of this contract. Such decision shall be final and binding on both parties.
- (b) Any grievance which has not been assigned to and accepted by an arbitrator within two (2) years after the date of appeal to arbitration will be considered withdrawn by mutual consent on a no precedent basis.

Section 3. The expense and compensation of the arbitrator shall be borne by and divided equally between the USW and the Company. Where the arbitration proceedings involve discussion of classified information, the arbitrator shall be cleared by the government agency having jurisdiction if the agency feels that such clearance is required. Up to two (2) arbitration cases may be arbitrated at one time using the same arbitrator.

Section 4. In any proceedings under this article the Company will make every reasonable effort to release from work employees needed as witnesses.

Section 5. Arbitration cases will be requested to be heard within ninety (90) days after an arbitrator has been selected. It is agreed that the parties will jointly request the rendering of a decision within thirty (30) days after briefs have been filed. Unless an extension is mutually agreed upon by both parties, briefs shall be filed within sixty (60) calendar days after the hearing is concluded.

### ARTICLE XV MISCELLANEOUS

### Section 1.

- (a) Non-bargaining Unit personnel shall not do Bargaining Unit work normally performed exclusively by the Bargaining Unit. This does not prevent such Non-bargaining Unit personnel from performing necessary functions such as instruction or assistance to employees, provided the assistance rendered does not displace the person doing the work or from operating equipment or processes in emergencies or for experimental purposes.
- (b) Scientific research personnel may perform manual work to further their research provided that such work does not deprive an employee of his job.

Section 2. One (1) USW employee from the Company and each of its subcontractors will be designated by the USW as a representative to attend the PRS Senior Management Safety Committee meeting and the STOP Committee meeting in order to represent the USW's interest. Also privileged to attend these meetings will be the USW's Environmental Safety and Health representative and the president of the local USW or his designated representative.

The Company will see that these individuals are provided adequate information concerning accident investigation reports and recommendations for accident prevention actions, to enable the members to make knowledgeable recommendations for the disposition of proposed safety actions.

The Company will also, on request, make arrangements for the appropriate individuals to visit the scene of any disabling or other serious accident so that they may have a better understanding of its cause. In the same manner, the Company will arrange for appropriate individuals to see firsthand, conditions at the site which are alleged by an employee to be unsafe and/or detrimental to health. If an accident investigation committee is formed to investigate an accident involving a Bargaining Unit employee, the USW will designate as the USW's representative a Bargaining Unit employee who normally works in the area in which the accident occurred.

The Company will discuss the results of the accident investigation of any disabling or other serious accident with the Committee within three (3) days of completion of the investigation. Accidents of less severity will be discussed at the next appropriate meeting.

The Company will pay one (1) delegate selected by the USW to attend the Governor's Health and Safety Conference. A maximum of eight (8) hours straight-time pay will be allowed for each of the three (3) days.

Meetings will be held at least monthly, and if conditions warrant, more often.

### Section 3.

- A. The Company and the Union recognize the need for both parties to participate in the development and implementation of practices that will ensure that workers' health and safety concerns are fully considered, and to allow workers and their legal representatives access to information related to occupational injuries and illnesses, industrial hygiene data, radiological monitoring, accident and incident reporting, and other information deemed necessary for the prevention and early detection of work-related injuries or disease as allowable by federal and state law, federal and state regulations, and the U.S. Department of Energy (DOE).
- B. The Company shall provide a workplace free from recognized hazards, and to accomplish this objective, the Company shall operate in compliance with DOE health and safety orders and directives and adopt and follow the principles of ALARA (as low as reasonably achievable) regarding radiation exposure. In addition, the Company will recognize all employee rights granted unto them under the Stop Work Authority (SWA) policy.
- C. No employee shall be discharged, disciplined, or suffer reprisal for reporting health and safety concerns to the Company, DOE, experts, or agencies with jurisdiction over the health, safety, and the environment; nor shall any employee be discharged, disciplined, or suffer reprisal for refusing to perform an unsafe act.
- D. The Union and Company commit to the utilization of a safety program with worker involvement in pre-job planning and application of the appropriate safety requirements to jobs before they begin. The Company will commit, consistent with DOE orders and regulations, to design and modify equipment to limit exposures to hazardous materials by maximizing the use of engineering controls.
- E. The Company agrees to the creation of a Joint Safety Committee (JSC) which shall be tasked with providing suggestions and information to aid in developing and administering those safety programs and initiatives which help cultivate a Safety Conscious Workforce Workplace and Environment (SCWWE) for PRS and/or PRS subcontractor activities and work areas. This committee will have active worker and management participation [including a minimum of three (3) Union representatives; one of which would be the designated Environmental, Safety and Health "ES&H" representative; the others appointed by the local union President] in Hazard Analysis, accident investigations, and corrective action plans as appropriate and timely. Meetings will be held at least monthly to accomplish the aforementioned tasks. The Union will have a representative designated by the Union on the Safety Council.
- F. The company shall provide, without cost to the employee:
  - a) Safety glasses (including respirator glasses as required);
  - b) A \$200.00 annual allowance (less any required taxes) for safety-related shoes will be issued in January of each year;
  - c) Coveralls (or scrubs) and appropriate modesty garments:
  - d) Anti-contamination clothing;
  - e) Work gloves and a hard hat;
  - f) Appropriate winter clothing for employees that perform outside work;

Employees shall be required to wear personal protective clothing and equipment in areas of the facility where designated by the Company, and to maintain a serviceable pair of safety shoes to wear on the plant site. If the Company determines that an employee's safety shoes are unserviceable because of contamination or damaged due to a job-related incident, the Company will issue another safety-related shoe allowance as described in paragraph (F) above.

Section 4. The USW shall be permitted to use a sufficient number of designated Company bulletin boards for posting notices and announcements of official business. All such notices and announcements shall be submitted to the Company for approval and posting.

Section 5. There shall be no discrimination because of race, color, creed, national origin, religious beliefs, or sex. Nor will there be discrimination against any employee because he is handicapped, a disabled veteran, or a veteran of the Vietnam era as these terms are used in applicable federal statutes, including the Americans with Disabilities Act.

Section 6. The Company agrees to make coveralls available to all members of the Bargaining Unit who wish to

wear them while at work. Thermal underwear will be made available to all members of the Bargaining Unit who may be required to do extensive outside work [two (2) hours or more per day] during the winter months. Insulated coveralls and gloves will be issued upon approval of appropriate first-line manager.

Section 7. Reprimands antedating a period of twelve (12) months on the active payroll, during which time no reprimand has been received, will be removed from the employee's record. Suspensions antedating a period of twenty-four (24) months on the active payroll, during which time no reprimand has been received, will be removed from the employee's record.

Section 8. Employees who are telephoned while at home and requested to provide information about plant operations will be paid an inconvenience allowance equal to the employee's straight time hourly rate for the duration of the telephone call, but in no event less than one tenth of one hour. This payment shall not be counted as hours of work in the computation of overtime or premium pay.

Section 9. A twenty-five (25) cent per hour premium will be paid for all truck drivers who have a CDL.

Section 10. An employee will be released from work and paid straight time wages for the hours 7:00 a.m. to 3:30 p.m. each Monday through Friday while performing the duties of Benefit and "ES&H" representative.

#### ARTICLE XVI EDUCATIONAL ASSISTANCE PROGRAM

Company will provide financial assistance up to one hundred (100) percent of the cost of tuition, laboratory fees, and required text books to employees who, while still actively employed and outside their regular working hours, satisfactorily complete qualified courses of study related to Bargaining Unit work in recognized schools or colleges. Applications must be filed and approved prior to starting of course. An employee who is receiving government financial assistance for education is not eligible for a refund under this program.

### ARTICLE XVII Successorship

It is the intent of the parties that this contract shall be binding upon successor employer or employers who are under contract to the Department of Energy (DOE) at its Paducah, Kentucky, facility. In the event that the Company's Environmental Remediation contract is amended, sold, transferred, or otherwise assigned to another party, the terms and conditions of such transfer shall require the transferee to become a signatory to this labor agreement before the transfer or sale, and honor its terms and conditions.

#### ARTICLE XVIII TERM OF CONTRACT

Section 1. This contract is made and entered into by and between PRS, Paducah site, Paducah, Kentucky, its successors or assigns, and the USW International Union, and its Local 550.

Section 2. This contract shall become effective as of 12.01 a.m., July 31, 2006, and shall continue in effect until 7:00 a.m., July 31, 2010, and shall automatically be renewed thereafter from year to year unless either party notifies the other in writing sixty (60) days prior to the expiration date that it desires to terminate or modify the provisions of this contract.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives:

•	
Paducah Remediation Services LLC  Michael J. Spru PRS President  Russell H. Boyd P.E., Site Manager  Cliff Watrs/H.R./Labor Relations Mgr.  Don M. Ulrich, Facilities Disposition Mgr.	United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial And Service Workers International Union AFDCIO.CLC  Leo W. Gerard, International President  James English, International Secretary Treasurer  WWW.  Thomas Conway, International Vice President (Administration)  Fred Redmond, International Vice President (Human Affairs)  Frenst R. Thompson, Director, District 8  Frank D. Pittman, Sub Director  Jackson D. Pittman, Sub Director  Jackson D. Pittman, Sub Director
Rob Ervin, President Local 550	
David Qualls, Vice President Local 550	
Roger Allcock, Negotiating Committee	Denver Parman, Negotiating Committee
Lee Glisson, Negotiating Committee	James Titsworth, Negotiating Committee

## A P P E N D I X A TABLE 1A, WAGE SCHEDULE EFFECTIVE JULY 31, 2006

Group	Start (3 months from top rate)	3 Mos. (top rate)	
•		(**************************************	
1	18.35	19.15	
2	18.68	19.52	
3	19.10	19.97	
4	19.45	20.34	
5	20.55	21.44	
6	20.15	21.03	
7	23.59	24.60	
8	20.86	21.76	
9	21.22	22.12	
10	20.58	21.50	
11	22.81	23.71	
13	24.51	25.45	
14	*	*	
23	*	*	
24	*	*	
26	25.52	27.24	
28	25.52	27.24	
30	26.54	27.24	

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996–July 31, 2001.

## APPENDIX A TABLE 1B, WAGE SCHEDULE EFFECTIVE JULY 30, 2007

	Start	
	(3 months	3 Mos.
Group	from top rate)	(top rate)
1	18.90	19.72
2	19.24	20.10
3	19.67	20.57
4	20.04	20.95
5	21.16	22.08
6	20.75	21.66
7	24.30	25.33
8	21.48	22.41
9	21.86	22.78
10	21.20	22.15
11	23.49	24.42
13	25.24	26.21
14	*	*
23	*	*
24	*	*
26	26.28	28.06
28	26.28	28.06
30	27.34	28.06

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996—July 31, 2001.

## APPENDIX A TABLE 1C, WAGE SCHEDULE EFFECTIVE JULY 28, 2008

	Start	
	(3 months	3 Mos.
Group	from top rate)	(top rate)
1	19.47	20.31
2	19.82	20.71
3	20.26	21.18
4	20.64	21.58
5	21.80	22.74
6	21.38	22.31
7	25.02	26.09
8	22.13	23.08
9	22.51	23.47
10	21.83	22.81
11	24.20	25.15
13	26.00	27.00
14	*	*
23	*	*
24	*	*
26	27.07	28.90
28	27.07	28.90
30	28.16	28.90

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996–July 31, 2001.

## APPENDIX A TABLE 1D, WAGE SCHEDULE EFFECTIVE JULY 27, 2009

	Start (3 months	2 Maa	
Grou p	from top rate)	3 Mos. (top rate)	
O. O. p	nom top rate;	(top rate)	
1	20.05	20.92	
2	20.41	21.33	
3	20.87	21.82	
4	21.26	22.23	
5	22.45	23.42	
6	22.02	22.98	
7	25.78	26.88	
8	22.79	23.77	
9	23.19	24.17	
10	22.49	23.49	
11	24.92	25.90	
13	26.78	27.81	
14	*	*	
23	*	*	
24	*	*	
26	27.88	29.77	
28	27.88	29.77	
30	29.01	29.77	

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 3 1, 1996–July 31, 2001.

#### **GENERAL PROVISIONS**

- (a) Employees who are hired at a wage rate three months from the top rate will be granted the top pay rate only if their workmanship and ability is satisfactory.
- (b) If a scheduled merit progression increase is not granted, the immediate first-line manager of the employee thus affected will notify the employee in writing of the reason for such rejection, and if the employee feels such action is unjust, he may file a grievance. The first-line manager may originate such increase at any time thereafter when the workmanship and ability of the employee warrant.
- (c) Approved rate changes will become effective on the eligibility date.
- (d) The probationary period referred to in Article XII, Section 2 (c) will be changed to ninety (90) days worked for employees entering the trainee classifications for operator, instrument mechanic, maintenance mechanic, and electrical mechanic.

#### TABLE II JOB CLASSIFICATION LISTING

Job Classification	Rate Group
Carpenter 1st Class	26
Carpenter 2nd Class	23*
Chauffeur	03
Electrical Mechanic 1st Class	28
Electrical Mechanic 2nd Class	24*
Garage Mechanic 1st Class	26
Heavy Equipment Mechanic 1st Class	26
Heavy Equipment Operator	26
Instrument Mechanic 1st Class	28
Instrument Mechanic 2nd Class	24*
Janitor	01
Laborer	01
Locksmith	26
Lubricator	. 06
Machinist 1st Class	28
Machinist 2nd Class	24*
Maintenance Mechanic 1st Class	26
Maintenance Mechanic 2nd Class	24*
Material Handler	11
Operator	30
Operator B	13
Painter 1st Class	26
Painter 2nd Class	23*
Refrigeration Mechanic	26
Sheet Metal Worker 1st Class	26
Trainee	14*
Truck Driver	10

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications which will be based on the traditional times and dollar values as indicated in the USEC contract dated July 31, 1996 –July 31, 2001.

#### APPENDIX B

The Seniority Provisions of this contract as set forth in Article XII shall be administered by the following job classification groups.

Group	Job Classification	Rate Group
1	Maintenance Mechanic 1/C	26
	Maintenance Mechanic 2/C	24*
	Trainee	14*
2	Refrigeration Mechanic	26
3	Machinist 1/C	28
	Machinist 2/C	24*
	Trainee	14*
4	Sheet Metal Worker 1/C	26
5	Carpenter 1/C	26
	Carpenter 2/C	23*
	Trainee	14*
	Locksmith	26
6	Painter 1/C	26
	Painter 2/C	23*
	Trainee	14*
7	Heavy Equipment Mechanic 1/C	26
	Garage Mechanic 1/C	26
8	Heavy Equipment Operator	26
9	Truck Driver	10
10	Instrument Mechanic 1/C	28
	Instrument Mechanic 2/C	24*
	Trainee	14*
11	Electrical Mechanic 1/C	28
	Electrical Mechanic 2/C	24*
	Trainee	14*
12	Operator	30
	Trainee	14*
13	Material Handler	11

14	Chauffeur	03
15	Lubricator	06
16	Laborer Janitor	01 01
17	Operator B	13

<sup>\*</sup>Note: The trainee classification and the second class classification are not being used at this time. Should these classifications be utilized in the future, the USW and the Company agree to formulate wage progressions for these classifications, which will be based on the traditional times, and dollar values as indicated in the USEC contract dated July 31, 1996 –July 31, 2001.

### APPENDIX C COMPANY SERVICE CREDIT RULES

Company Service Credit is based upon employment by PRS and/or its subcontractors, predecessor contractors and/or subcontractor(s), and, in some cases, previous employment with United States Enrichment Corporation. Company Service Credit will be determined under the following rules:

- (a) In case an employee is laid off by the Company on account of an involuntary reduction in force and through no fault of his own.
  - (1) If such layoff continues not more than four (4) consecutive years, Company Service Credit will be given or service prior to such layoff.
  - (2) If such layoff continues more than four (4) years, no Company Service Credit will be given for service prior to such layoff.
- (b) In case of absence or absence with leave for a reason other than disability, which is authorized by the local management, employment will be considered as continuous without any deduction if it does not exceed three (3) months. However, in case such absence does exceed three (3) months, the period of absence in excess of three (3) months will not be considered as Company Service unless otherwise authorized by the local management. If an employee who is thus absent fails to return to work when able to do so and at the time designated by the Company, he will be considered as voluntarily terminating his employment and his Company Service Credit shall end as of the date on which such absence commenced.
- (c) In case of rehire or reinstatement subsequent to discharge for cause or resignation at the Company's request, credit will be given for service only since last date of rehire or reinstatement by the Company, unless otherwise authorized by the local management.
- (d) An employee on the active payroll January 1, 1973, or rehired thereafter, who had been credited with Continuous Service Credit for one or more periods of prior employment, but who had lost such credit because of (a) a layoff lasting for more than four (4) consecutive years, or (b) termination for any other cause, will have such prior Continuous Service Credit restored upon completing a total of two (2) years of currently accredited Continuous Service Credit following reemployment.

### APPENDIX D PERSONAL ABSENCE WITHOUT PAY

Employees will be granted time off without pay when the workload permits, as follows:

- (a) Minimum time necessary to attend a marriage in the immediate family not to exceed three (3) days.
- (b) Minimum time to attend the marriage of a close friend or relative when employee is participating in ceremony, such as best man or usher, not to exceed three (3) days.
- (c) Minimum time necessary to attend the funeral of a close friend or relative not to exceed three (3) days.
- (d) Minimum time necessary for settlement of estates, to serve as witness when subpoenaed in court, dental work, legal closing of purchase or sale of the employee's personal residence, financial or legal transactions with government officials on personal, not business matters, where personal attendance is required with the understanding that the specific time off is beyond the control of the employee.
- (e) Minimum time necessary to attend graduation of a son or daughter from school at the junior high school level or beyond.
- (f) Minimum time necessary to attend to duties in key meetings as a voting delegate to the credit union, as a member of a local governmental body or as a Community Chest director.
- (g) Problems of a personal nature that are considered to be too sensitive to discuss with first-line manager may be referred to the medical director for a decision.

On items of equal importance, necessary time off will be granted without pay by informing his first-line manager and giving the nature of the item, the time, the place, and the approximate time necessary.

No time will be granted to conduct another business or occupation or avocation or to attend conventions or meetings or to attend to matters that can be handled reasonably outside working hours.

The Company agrees to meet with the USW Committee when either party feels that there is a need to discuss the personal absence policy.

### PENSION, GROUP INSURANCE AND DENTAL AGREEMENT

The Company and the USW hereby agree upon the maintenance of the pension plan, as amended; the group insurance plan, as amended; and the dental insurance plan as amended, for the Bargaining Unit employees represented by the USW at the Company's Paducah site, subject to the following terms and conditions.

#### PART A - PENSION PLAN

Note: The addendum agreement between the Company and USW Local 550 contains a list of all employee benefit plans. The plan descriptions by reference will be considered part of this contract. The following provisions in this section will continue to apply to the administration of employee benefits program.

- (a) It is understood that if any dispute arises from the denial of a Bargaining Unit employee's claim for benefits under the Pension Plan, then such dispute may be taken up through the Grievance and Arbitration Procedure of the principal Collective Bargaining Contract then in effect between the parties.
- (b) The obligation of the Company to maintain the pension plan, as herein provided, is subject to the requirement that approval by the Internal Revenue Service for the amended plan is received and maintained continuously as:
  - (1) Qualifying under Section 401 of the Internal Revenue Code or any other applicable section of the federal tax laws (as such sections are now in effect or are hereafter amended or enacted); and
  - (2) Entitling the Company to deduction for payments under the Plan pursuant to Section 404 of the Internal Revenue Code or any other applicable section of the Federal tax laws (as such Sections are now in effect or are hereafter amended or enacted).

In the event that any revision in the Pension Plan is necessary to receive and maintain such approval or to meet the requirements of any other applicable federal law, the Company and the USW shall resume negotiations for the purpose of reaching agreement on such revision, it being understood that such revision shall be held to a minimum, adhering as closely as possible to the intent expressed in the pension plan and in this Agreement.

#### PART B - GROUP INSURANCE PLAN

a. Current through January 1, 2007:

Note: The addendum agreement between the Company and USW Local 550 contains a list of all employee benefit plans. The plan descriptions by reference will be considered part of this contract. The following provisions in this section will continue to apply to the administration of employee benefit program.

- (1) Participation in the group insurance plan shall be on a voluntary basis.
- (2) The USW employee contribution will have an increase per year at the following rates with the included cap.

9% of the total premium cost

	<b>3</b> ,	F
b.	Effective January 1, 2007:	10% of the total premium cost
c.	Effective January 1, 2008:	11% of the total premium cost
d.	Effective January 1, 2009	12% of the total premium cost

e. Effective January 1, 2010 13% of the total premium cost

No employee shall pay more than the cap listed below.

Employee Contribution Monthly Medical Cap					
Coverage	Year 1 CAP	Year 2 CAP	Year 3 CAP	Year 4 CAP	
SINGLE	\$111.52	\$122.67	\$133.82	\$144.97	
DUAL	\$219.07	\$240.97	\$262.88	\$284.79	
FAMILY	\$316.25	\$347.88		\$411.13	

#### PART C - DENTAL INSURANCE PLAN

Note: The addendum agreement between the Company and USW Local 550 contains a list of all employee benefit plans. The plan descriptions by reference will be considered part of this contract. The following provisions in this section will continue to apply to the administration of employee benefit program.

(a) The Company will pay eighty-eight (88%) percent of the dental plan coverage.

#### **PART D - GENERAL PROVISIONS**

- (a) During the term of this agreement, the Company Service Credit of an employee for the purpose of determining eligibility for benefits under the pension, dental insurance and group insurance plans, and of computing the amounts of such benefits, shall be determined in accordance with the Company Service Credit Rules set forth in the principal Collective Bargaining Contract then in effect between the parties. However, it is understood that with respect to the pension plan, "credited service," as defined in that plan, shall govern.
- (b) In the event of the enactment or amendment of any federal or state law providing for benefits similar, in whole or in part, to those covered by Parts B or C of this Agreement, and requiring either (a) compulsory participation by any employee or the Company; or (b) compulsory payment of taxes or contribution by any employee or by the Company; or (c) benefit costs either to any employee or the Company different from those provided for under Part B or C of this Agreement, then the parties hereto agree that they will amend this Agreement so as to provide that the total cost to the Company for insurance benefits of whatsoever nature for its employees will not be greater in amount than such costs as provided by law or by Part B or C of the Agreement, whichever costs are greater.
- (c) The Company shall retain the right to arrange through an insurance company(s) or other carrier(s) for coverage providing the benefits under the group insurance and dental insurance plans, current coverage having been arranged with Aetna (herein called the "Insurance Company.")
- (d) The administration of the group insurance and dental insurance plans hereunder and the payment of benefits under the Plans shall be handled directly by the insurance company, it being understood that a claimant whose benefits claim is denied may contest such denial with the Insurance Company, but that he shall have no redress whatsoever against the Company. It is agreed, however, that in any case in which an employee claiming benefits under the group insurance or dental insurance plans and desiring to file such claim with the insurance company, becomes engaged in a non-medical factual dispute with the Company in connection with such claim (such as, for example, but not limited to, disagreement over his earnings group, eligibility, employment status, amount of Company Service Credit, or other non-medical factual question), such employee and the USW may process such dispute through the Grievance Procedure set forth in the principal Collective Bargaining Contract then in effect between the parties. It is agreed that any arbitration award as to such factual dispute shall be final and binding upon the parties hereto and the employee thereafter may present his claim to the insurance company on the basis of the facts as determined by said award.

It is agreed, however, that any and all medical questions in dispute shall be determined solely by the insurance company. To request review of any such dispute, the Bargaining Unit employee shall make written application therefore to the insurance company not more than sixty (60) days after his receipt of the insurance company's position giving rise to the dispute. Within sixty (60) days after the insurance company's receipt of the application for review, it shall inform the employee in writing of its decision in final disposition of the dispute. Under special circumstances, the insurance company may extend the time for processing the review, but its decision in final disposition of the dispute shall be rendered not later than one hundred twenty (120) days after its receipt of the application for review.

- (e) Regardless of the time limit, if any, prescribed in the applicable principal contract for the filing of a grievance concerning the alleged violation of such contract, a claimant's appeal under Part A, Paragraph (a), or Part D, Paragraph (d), will be processed in accordance with the Grievance and Arbitration procedure, provided that such grievance is filed not more than sixty (60) days after the claimant's receipt of the Company's position giving rise to the non-medical factual dispute.
- (f) This Pension, Group Insurance, and Dental Insurance Agreement shall replace all prior agreements pertaining to the pension, group insurance and dental insurance plans, including any amendments to them.

#### MEMORANDUM OF AGREEMENT HEALTH CARE PLAN

A comprehensive medical plan designed to pay the major share of covered hospital, surgical, and medical expenses, while attempting to control health care costs by encouraging the use of cost-effective services.

A Vision Care Plan with no deductible which includes an eye examination once every twelve months, one pair of lenses once every twelve months, and one pair of frames once every twenty-four months.

- 1) The Company will arrange with an insurance company to make available to participating employees in the Bargaining Unit certain benefits set forth in the booklet entitled PRS Employee Handbook.
- 2) It is agreed that the gross cost of the said health benefits program shall be shared by the Company and participating employees. Each employee who enrolls in the plan shall pay the applicable rate, as listed in Part B Group Insurance Plan.
- 3) Employee participation in the program shall be on a voluntary basis. Employees who enroll in the program shall authorize the Company in writing to deduct from their pay the applicable rate.



July 31 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

The Medical Department will continue to investigate all avenues of medical information available to them within the province of medical ethics, in all cases of permanent restrictions and will furnish such information to any licensed practicing physician (M.D.) at the request of any employee having such restrictions.

In cases involving permanent restrictions, the employee will be placed on a temporary restriction for a reasonable length of time to allow him opportunity to seek outside medical diagnosis which can be presented to the Company Medical Department.

All employees will be advised in writing of the medical restriction and its cause if requested by the employee.

Sincerely,

Cloff Walts

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 31, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

The following is an administrative agreement dealing with PTO and holiday pay for employees who are temporarily reclassified:

If an employee is temporarily reclassified to a higher classification for one full week prior to taking one or more full weeks of PTO, and for one full week after said PTO, the PTO pay will then be at the higher rate.

If an employee is temporarily reclassified to a higher classification for a full week containing a holiday, he will be paid the holiday pay at the higher rate.

Sincerely,

Clf Walto

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 31, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

A general wage increase will be applied, when effective, to employees on short-term disability as defined in Article IX, Section 1. A general wage increase will not apply to employees on long-term disability as defined in Article IX, Section 2. However, if an employee returns to work from long-term disability absence, he will receive the appropriate rate then in effect under the wage schedule of Appendix A.

Sincerely,

Clof Walts

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 31, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

The parties agree that in order to clarify the vested rights for the subsequent year's PTO for employees, with one or more years of service, who are absent because of disability as of December 31, the following guidelines will apply:

- 1. If such an employee is receiving, on December 31, either Non occupational Disability or Occupational Disability payment as outlined in Article IX, Section 1 of the Company-USW Contract, he shall be regarded as "being on the payroll" as of December 31 and will be vested for the subsequent year's PTO.
- 2. In any event, if such an employee files a claim for Long Term Disability before, on, or after December 31, and such disability payment becomes effective prior to December 31 of the previous year, such an employee will not have vested rights to the subsequent year's PTO.
- 3. If such an employee is not receiving benefits under Article IX, Section 1 on December 31, he will not be vested for the subsequent year's PTO unless he returns to work in that subsequent year.
- 4. It is understood that the above clarification relates solely to PTO vesting and does not affect any other determination of whether an employee is deemed to be on the payroll.
- 5. Under no circumstances will an employee be eligible for vesting PTO for more than one year on the basis outlined above.

Sincerely,

Clos Walts

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 31, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

Our normal practice will be to suspend an employee at least two working days prior to discharge for cause. Labor Relations shall notify the USW President at the time of such a suspension of any Bargaining Unit employee. At the request of the USW, the Company will meet with the USW President and the Committeeperson involved for discussions prior to discharge of an employee for cause. The Company will not discipline (discharge, suspend, or issue written reprimand) any employee without just cause.

Sincerely,

Off Walts

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 31, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

This confirms our discussions with you concerning the question of management doing Bargaining Unit work.

The Company's intent is that non-bargaining personnel will not do Bargaining Unit work and they will be so instructed at the time the new contract is explained. Management will give special attention to those individuals unwilling to comply with the stated intent.

Sincerely,

Clf Walto

Cliff Watts, PRS HR and Labor Relations Manager

CW/dc



July 17, 1996

Rob Ervin, President USW Local No. 550 2525 Cairo Road Paducah, Kentucky 42001

Dear Mr. Ervin:

The following is an amended letter to replace the letter of administrative understanding dated July 31, 1993, which was the Company/USW agreement on administration of transfer from one work group to another, work assignments out of classification, and the arrangement of work groups.

Transfers from one work group to another work group over thirty (30) days will be made by seniority (Group Seniority) preference, except that in the Maintenance Mechanic Classification the Company may assign employees across work groups for the required time to perform specific jobs such as cell changes, valve changes, large piping jobs, and the shutdown or startup of a facility.

Work groups are defined as job classifications:

Not considered as a transfer are assignments for cross-training of employees within a job classification in Operations for a period not to exceed three (3) months. In the event of a shutdown or cutback and subsequent reactivation of a building, the employees moved out of said building may be returned on a seniority basis. Shift preference within a shift preference group will supersede work group transfers.

Work assignments out of classification shall be made by seniority preference within the work group to the interested qualified employee except assignments for less than six (6) working days.

**CLASSIFICATION\*** 

Maintenance
Maintenance Mechanics
Instrument Mechanics

#### **CLASSIFICATION\***

**Electrical Mechanics** 

Machinists

Sheet Metal Workers

Carpenters

Locksmith

**Painters** 

Heavy Equip. Mechs. & Garage Mechs.

**Heavy Equipment Operators** 

Truck Drivers

Operators

Operator B

Material Handlers

Chauffeurs

Lubricators

Janitors

Laborers

#### **OVERTIME LISTING**

Maintenance Mechanics:

**ECC** 

D&D

Cylinder Management

Machinists

Sheet Metal Workers

Carpenters

Locksmith

**Painters** 

Heavy Equip. Mechs. & Garage Mechs.

Heavy Equipment Operators

Truck Drivers Instrument

Maintenance:

Electrical Maintenance:

Operators

Operator B

Material Handlers

Laborers

Janitors

<sup>\*</sup>Up to twenty (20) percent of employees on PTO lists may schedule KEA, Thanksgiving, and Christmas weeks beginning in calendar year 1990.

#### SHIFT PREFERENCE LIST

Shift preference groups are defined as job classification except as follows:

Maintenance Mechanics:

ECC D&D

Cylinder Management

Instrument Mechanics

Electrical Maintenance:

D&D

Operators:

D&D

Cylinder Management

Operator B

Sincerely,

Clot Walto

Cliff Watts

PRS HR and Labor Relations Manager

CW/dc

# Informational Summary Peducah Site 2005 Becintol Jecobe Company LLC and Addition Eldensfort Agreement

- 1. One (1) year agreement, 7:00 a.m. July 31, 2005 to 7:00 a.m. July 31, 2008.
- 2. 3.6% general wage increase.
- 5. With agrand that bumping rights for those separated from employment at USEC shall no langer apply.

Clother Watts

USANIOCAIS-560

#### SUMMER WORKER PROGRAM AGREEMENT OCTOBER 22, 2001

- 1. The "Summer Worker Program" will be applicable only to the laborer classification.
- 2. The start rate will be the lower of the two possible start rates for laborers. (Refer to matrix.)
- 3. All laid-off laborers and Roads & Grounds employees must be recalled prior to any summer workers being hired into laborer positions.
- 4. There may be up to ten summer worker positions filled at any one time.
- 5. For purposes of this "Summer Worker Program" agreement, summer shall be defined as the period of time between 04/01 and 09/30 of any particular year.
- 6. Each summer worker can be worked up to 90 days under this program. This length of time can only be lengthened if both parties agree.
- 7. It is agreed that workers in the "Summer Worker Program" will not receive, nor will they be offered, any benefits normally afforded USW-represented employees.
- 8. Summer workers will not be placed on the Seniority List.
- 9. Summer workers will not be placed on the recall list when their employment ends.
- 10. The USW and Company shall view summer workers as probationary.
- 11. The USW will be informed of whom the summer workers are and when they are to be brought into the "Summer Worker Program."
- 12. The Company shall make effort to fairly divide the available positions in the "Summer Worker Program" between interested individuals from USW and non-USW families. Hiring preference will be given to interested students.
- 13. "Summer Worker Program" employees will be required to join the USW and to remit the appropriate USW dues.
- 14. Overtime will be offered to summer workers only in instances after the entire overtime list has been polled.
- 15. Employees in the "Summer Worker Program" will not be temporarily reclassified from a laborer to any other classification.
- 16. Employees in the "Summer Worker Program" will not be offered regular employment ahead of others who have hiring priority through the USW addendum. Regular employment may be offered to summer workers once the seven hiring steps outlined in the USW addendum have been exhausted.

#### **ADDENDUM**

### Between Paducah Remediation Services, LLC (hereinafter "PRS" or the "Company")

#### And

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers USW, (hereinafter referred to as "USW" or the "Union")

#### 1. Purposes:

This Addendum is intended to serve as the basis for effectively moving USW represented workers to and between PRS and/or its subcontractors for the performance of Department of Energy (DOE) related work at Paducah, Kentucky. This Addendum is designed to accomplish the transition of "grandfathered" and "non grandfathered" employees to available positions with PRS and/or its subcontractors, in a seamless and nondisruptive manner, while assuring that wages, benefits and accrued severance, accrued seniority, accrued service credit for vacation and pension, and other purposes that were accumulated with USEC (including accrued service credits that were portable to USEC from former DOE contractors), and any other DOE prime contractors and their subcontractors at the plant site (including any accrued service credits from predecessor contractors and subcontractors), are maintained at equivalent levels and are transferred to PRS and/or its subcontractors without interruption. This Addendum is also intended to provide protections for employees who voluntarily transferred from USEC to Bechtel Jacobs, based on USEC seniority, when waste management and cylinder management functions were transferred from USEC to Bechtel Jacobs. This agreement also provides employment opportunities for available work with PRS and/or its subcontractors for performance of that work which is covered under Section 12, Scope of Work, and Section 13, Future Work, of this Addendum for laid-off USW represented employees. This Addendum is designed to retain and utilize employees who have site-specific experience and institutional memory, which will help to protect the health and safety of workers employed by PRS and/or its subcontractors, and where required, it will help minimize costs by employing workers who have already obtained security clearances. This agreement is designed and should be construed in a manner to meet the statutory requirements of Section 633 of the Energy Policy Act of 2005 as well as the statutory and DOE policy requirements to minimize the social and economic impacts of changes to the workforce at a DOE defense nuclear facility as prescribed in Section 3161 of the FY 93 Defense Authorization Act, the 1996 USEC Privatization Act, and the Office of Worker and Community Transition Interim Workforce Planning Guidance.

#### 2. Effect of This Addendum:

This Addendum is intended to be a supplement to the Collective Bargaining Agreement (CBA) between PRS and the USW. In the event a conflict arises concerning interpretation of the CBA and interpretation of the Addendum, the Addendum portion of this CBA will be given priority. If conflict resolution cannot be obtained by interpretation of the Addendum, resolution will defer to the Grievance and Arbitration section of the CBA.

#### 3. Application of this Addendum:

This Addendum will apply to all work performed by PRS employees and its first and second tier subcontractors, but does not apply to work performed directly by USEC. The work covered under this agreement is that work which is covered by the PRS/USW Contract and/or that which is defined in Section 12 (Scope of Work) of this Addendum and/or Section 13 of this Addendum (Future Work). The Company and USW recognize and agree that this Addendum is meant to be binding upon any successor contractor at this facility.

#### 4. Subcontracting:

A. It is understood that PRS may, at its sole discretion, contract or subcontract work or functions normally performed by USW represented personnel or work defined in Section 12 (Scope of Work) and Section 13 (Future Work.) However, in that event, PRS will impose certain requirements on the 1st and 2nd tier contractor or subcontractor. Those requirements will be contained in the bid specifications, requests for proposals, and subcontract documents.

B. The bid specifications, requests for proposals, and subcontract documents referred to in Section 4(A) will require the subcontractor to hire the bargaining unit workforce, which it will employ in the performance of the subcontract from among the group of PRS employees in the job classifications involved in the performance of that work at Paducah, to the extent such employees are available within the PRS workforce, and when such employees are not available from PRS, the bid documents will require hiring to be conducted in accordance with Sections 10(A) of this Addendum, as applicable appropriate. Those documents will also require the subcontractor, from the outset, to adhere to the wages, fringe benefits, and other economic terms and conditions contained in the PRS/USW Contract and/or this Addendum. Further, those documents will require the subcontractor, following the hiring of its initial and representative complement of employees for the subcontracted work, to immediately comply with any successorship rules of the National Labor Relations Act, which will require the subcontractor to recognize the USW as the collective bargaining representative for the affected employees, and to adopt all of the terms and conditions of the PRS/USW Contract and/or this Addendum, in connection with the terms and conditions of employment affecting USW represented employees who are engaged in performing the work governed by the subcontract. In those cases where PRS, or a contractor or subcontractor, is not legally defined as a "successor" employer, as established under the National Labor Relations Act, the employer shall recognize the USW upon a showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a USW authorization card. (The parties agree to expedite the use of a mutually agreeable neutral third party to review and count cards and/or resolves any disputes.) A copy of the language PRS is committing to use (referred to as "Exhibit J") in requests for proposals, bid specifications and subcontracts awarded at Paducah is incorporated and attached hereto at Attachment "A."

#### 5. Roles and Responsibilities:

Whenever the obligation of a particular party to carry out any given provision is not self-evident in the CBA and/or Addendum or a dispute arises over who is the proper party to carry out a provision, PRS shall:

- Determine with USW president participation who the responsibility party is, and issue a decision to all parties immediately.
- b. Assume responsibility for compliance with the terms(s) of the CBA and/or Addendum or;
- c. Direct the subcontractor to fully adhere to the terms of the CBA and/or Addendum.

The Company will notify the USW with regard to any modification(s) to any work rule(s) at least 15 days, or less with mutual agreement of both parties, prior to the proposed effective date of any such change(s).

#### 6. Work Shifts:

Work schedules, hours of work and other related issues are covered under Article VI of the PRS/USW Contract.

#### 7. Fringe Benefit Programs for "Grandfathered" Employees

The fringe benefit programs administered by United States Enrichment Corporation, pursuant to the USEC Agreement, will not apply to the employees of PRS or its subcontractors (e.g., Pension Plan, Group Insurance Plan, Dental Expense Assistance Plan, etc.) In place of those benefit programs, PRS and its first and second tier subcontractors will institute an identical Multiple Employer Pension Plan and Retiree Health Care Benefit Plan and substantially equivalent plans or programs which will apply to grandfathered employees covered by this Addendum.

A. "Grandfathered Employees" are those individuals who meet the following conditions:

The individual was either (1) an employee of Lockheed Martin Energy Systems, Lockheed Martin Utility Services, or Lockheed Martin Energy Research (collectively, LM) on March 31, 1998, or (2) a member of PACE (at the Portsmouth Gaseous Diffusion Plant or Paducah Gaseous Diffusion Plant) who was either an LM employee, United States Enrichment Corporation (USEC) employee, or on the LM or USEC recall list on the date this Bargaining Unit Addendum is ratified and formally concluded.

- B. A "Grandfathered" employee who incurs a break in service of any length will continue to be a Grandfathered employee upon reemployment by PRS or by any of its first tier or second tier subcontractors under this CBA.
- C. For clarification purposes, any employee who transfers from USEC to PRS or its subcontractors, who was employed by USEC on February 21, 2000, shall be classified as a "Grandfathered Employee" without regard to the date that he transfers from USEC to PRS or its subcontractor(s).
- D. Employee benefits are set forth in the PRS/USW CBA and shall include:
  - 1. Multi Employer Pension Plan
  - 2. Retiree Health Care Benefit Plan
  - 3. Employee Health Care Plan (medical, prescription drug and vision)
  - 4. Dental Plan
  - 5. Employee Savings Plan
  - 6. Basic and Supplemental Life Insurance Plan
  - 7. Flexible Spending Accounts
  - 8. Special Accident Insurance Plan
  - 9. Employee Assistance Plan
  - 10. Basic Short Term Disability Plan
  - 11. Basic Long Term Disability Plan
  - 12. Business Travel Accident Insurance Plan

Notwithstanding provisions contained in other benefit plan documents or notices, PRS and its first and second tier subcontractors shall not eliminate benefit plans or programs, nor shall they provide less than substantially equivalent benefit levels (subject to availability of such plans or programs), unless they notify and bargain with USW, in accordance with applicable federal and state law.

For purposes of clarification, all "grandfathered" and "non-grandfathered" hourly employees covered under this Addendum who qualify for the Short Term Disability Plan shall receive Short Term Disability payments in accordance with Article IX of the PRS/USW CBA.

Service credits accumulated with USEC and any other DOE prime Contractors and their subcontractors at the plant site (including any accrued service credits from predecessor Contractors and subcontractors), and its subcontractors shall be credited by PRS or its 1<sup>st</sup> and 2<sup>nd</sup>, tiered subcontractors as outlined in the following chart:

## SERVICE CREDIT THAT TRANSFERS FROM USEC, S&S, OR S&S SUBCONTRACTORS, TO PRS AND/OR ITS SUBCONTRACTORS

	Years of Service Credited for Vacation	Years of Service Credited for Pension that is Applied to MEPP	Years of Service Credited for Savings Plan 401(k)	Years of Plant Seniority Accrued in the Bargaining Unit	Years of Service Credited for Accrued Severance	Years of Service Credited of Eligibility for Retiree Health Care Benefits
Employees transitioned from USEC, S&S or S&S subs to PRS or PRS subs under Section 10 (A) no severance payment	x	х	<b>x</b>	x	х	x
Employee who is laid off and receives severance from USEC, S&S or S&S subs	х	x	х	х		x

#### 8. Fringe Benefit Programs for New Hires:

- A. All benefit plans available and provided to grandfathered employees shall be provided to non-grandfathered employees by PRS and its first and second-tier subcontractors, except for participation in the Multiple Employer Pension Plan by newly hired employees of PRS or its subcontractors who are not defined as "grandfathered employees." In lieu of the Multiple Employer Pension Plan, PRS and its subcontractors will contribute the profit sharing component of a 401(K) profit sharing plan in an amount equal to 5.8% of the applicable hourly wage for every hour worked. Employee vesting in this profit sharing component shall be immediate. For purposes of clarification, the Retiree Health Care Benefits Plan will remain available to new hires in the same manner as "grandfathered" employees.
- B. The terms of plans or programs for "new hires" are set forth in the PRS Employee Benefits Handbook for Paducah; the plan and program documents are incorporated in this Addendum by reference; and shall include the plans and programs and conditions listed in Section 7(D), items 2-12 of this Addendum.

#### 9. "Red Circled" Employees:

Those USW represented employees that are currently designated as "Red Circled" employees shall remain designated as "Red Circled" employees under the terms and conditions of the CBA and/or Addendum. "Red Circled" employees shall not be bumped from their employment by more senior employees who are not designated as "Red Circled" employees. However, after a "Red Circled" employee terminates his employment and no longer remains on the recall list, the "Red Circle" designation is extinguished for that employee, and the ensuing vacancy will be filled in accordance with the seniority provisions in the CBA and/or Section 10 (A) of the Addendum. The "Red Circle" designation attaches to the employee and not the position, and is not portable to other employers unless they are successor employers.

#### 10. Filling Vacancies, and Reductions in Force:

A. FILLING VACANCIES – PRS and its subcontractors shall fill vacancies for positions covered under Section 12 (Scope of Work) and Section 13 (Future Work) in the following order:

#### 1. Recall:

- a. First: those qualified USW represented employees in the same job classification as the vacancy exists who have been notified of a layoff with PRS or its subcontractors at Paducah in order of seniority;
- b. Second: those qualified USW represented employees in the same job classification as the vacancy exists on the recall list that were laid off from PRS or its subcontractors at Paducah in order of seniority. PRS will maintain a site-wide recall list by seniority of all laid off USW represented employees covered under paragraph A (1) above.

#### 2. Job Bid:

- a. The job bid opportunity is limited to employees of PRS and its subcontractors at Paducah
- b. Job bids will be awarded to the most senior qualified bidder from within a lower job classification.

#### Job Openings:

- a. First: those qualified USW represented employees in classifications other than the one the vacancy exists in who have been notified of a layoff with PRS or its subcontractors at Paducah in order of seniority;
- b. Second: those qualified USW represented employees in classifications other than the one the vacancy exists in on the recall list who were laid off from PRS or its subcontractors at Paducah in order of seniority. PRS will maintain a site wide recall list by seniority of all laid off USW represented employees covered by Paragraph A (1) above.

- 4. Those qualified USW represented employees laid off or notified of lay off from USEC, S&S, or S&S subcontractors at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act, as defined in the USEC Privatization Act of 1996, in order of seniority.
- 5. Those qualified non USW represented employees, laid off from PRS, USEC or S&S, or subcontractors, who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
- Those qualified USW represented employees laid off at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
- 7. Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.

Prior to filling vacancies, PRS and/or its subcontractors shall consult with the USW concerning the availability of employees on the USEC, S&S, and S&S subcontractor recall list, and those eligible under Section 3161 of the FY 93 Defense Authorization Act. In filling vacancies, PRS and/or its subcontractors shall provide a right of first refusal in order of seniority for available work within the classification for which the displaced employee can qualify. If no qualified employees can be obtained in a timely manner from the seven aforementioned sources, PRS and/or its subcontractors may hire qualified employees from any source.

B. REDUCTIONS IN FORCE – Reductions in force by PRS or its subcontractors shall be governed by the provisions of Article XII of the PRS/USW Contract.

#### 11. Modification of Terms:

It is understood that this Addendum may not be altered, changed or amended unless mutually agreed to in writing by both parties.

#### 12. Scope of Work:

This agreement shall cover Environmental Management/Uranium Programs (EM/UP) activities or projects as defined in the Department of Energy Contract No. DE-AC30-06EW05001, as amended; the Paducah Gaseous Diffusion Plant Lifecycle Baseline as amended; the Mother of All Baselines (MOAB), as amended; or work scope assigned by the Department of Energy to PRS and/or assigned by PRS to its first and second tier subcontractors, regardless of funding source, that includes tasks, functions or activities which have historically or traditionally been performed by the USW represented hourly workforce at the Paducah facility. The work scope shall be assigned and apply to the USW workforce without regard to the applicability of any labor standards (prevailing wage) determination (e.g., Davis Bacon Act, Service Contract Act.)

Activities to be performed by USW workers under this agreement will include the following:

A. WASTE MANAGEMENT: Packaging waste (which has been historically or traditionally performed by USW represented workers); over-packing waste containers; repackaging waste containers; staging waste containers for shipment or sampling; used drum decontamination; loading waste containers for on-site and off-site transportation; operations of the site's waste water treatment facilities; operation and maintenance of waste storage facilities and landfills; waste water disposal; inspections, maintenance and decontamination of polychlorinated biphenyl (PCB) storage, collection and containment systems; inspection, maintenance and decontamination of PCB spill sites; and operations of waste treatment processes, excluding unique/special processes provided by vendors that are not historically or traditionally performed by the USW workforce

- B. ASBESTOS ABATEMENT: Asbestos abatement associated with maintenance, equipment repairs or modifications, and decontamination/decommissioning of process equipment and piping.
- C. SITE SURVEILLANCE AND MAINTENANCE: Site surveillance and maintenance tasks, including waste processing lift station checks, bar screen and outfall inspections, and tasks associated with post-remediation operations and maintenance that have been historically or traditionally performed by USW
- D. PAINTING: Painting, except where related to construction.
- E. SCRAPPED METALS: Remove, operate electromagnetic crane, decontaminate, size reduce, package, stage, prepare for recycle, and on-site disposal of all previously scrapped metals, including drum mountain.
- F. ENVIRONMENTAL REMEDIATION/REMEDIAL ACTIONS: Operate equipment and tools to excavate, treat, and remove soil, sludge, sediment, and buried waste; operate equipment and tools to scrape, dig, scoop, and muck-out sediments, soil, and contamination from drainage ditches, sewers, and outfalls; on-site transportation of excavated waste and related materials to a disposal cell, staging area, or on-site landfill; dispose of materials in an on-site landfill; operate equipment and tools to dig up burial grounds; excavate backfill material; install backfill materials; containerize and package excavated and residual waste materials for off-site shipment; operate on-site waste processing equipment, including a uranium chip roaster and thermal treatment equipment; operate equipment to treat contaminated waste water and radio nuclides that are collected during remedial activities; decontaminate equipment after project completion, except operations of special equipment brought in by vendors, which have not been historically or traditionally performed by USW workers.
- G. OPERATIONS AND MAINTENANCE: Operations and maintenance of all or part of the gaseous diffusion plant and process buildings, in the event that USEC turns over all or part of the uranium enrichment facilities to the Department of Energy pursuant to the terms of their lease. This also includes such modes of standby operations that would allow continued plant operation, without production, until such time as the plant is formally shut down.
- H. SHUTDOWN/DEACTIVATION/DECONTAMINATION & DECOMMISSIONING: For those inactive facilities that are already designated by the Department of Energy for decontamination and decommissioning (such as C-340, C-410 and C-420) and for all or part of the gaseous diffusion plants, active or inactive (such as C-331 and C-335), and related support facilities (such as C-400, C-720, process switchyards):
  - 1. Safe shutdown;
  - 2. Deactivation and stabilization;
  - 3. Process systems disconnect (including all chemical, radiation and support utilities);
  - 4. Removal of process equipment, process piping and process related electrical, except heating, ventilation, and air conditioning ("HVAC"), structural and architectural features and non-process related electrical:
  - 5. Decontamination of process equipment, process piping, and surplus materials, and equipment;
  - 6. Size reduction and packaging/loading of process equipment and piping; and
  - 7. Recycling of process equipment, piping and scrap materials.
- DOE MATERIAL STORAGE AREAS: Decontamination, equipment handling, preparation for inspection, packaging, staging and disposition of materials and waste in DOE Material Storage Areas;
- J. REINDUSTRIALIZATION/FACILITY REUSE: Reindustrialization/facility reuse support which is assigned to PRS or its subcontractors for work historically or traditionally performed by USW, such as decontamination, tie-in of utilities, repair of utilities, and surveillance and maintenance of buildings after occupancy.

- K. OTHER DOE FUNDED WORK SCOPES, INCLUDING THOSE PREVIOUSLY PERFORMED BY USEC: DOE funded work scopes previously transferred from USEC to Bechtel Jacobs, and/or additional work scopes that are transferred from USEC to PRS in the future, including, but not limited to site utilities, "captive" operations and maintenance work related to site infrastructure, and electronic infrastructure within Paducah site, including telephone installation and maintenance, radio network repairs, install and repair computers in DOE, PA systems, calibration and repair of all radiological instruments and test equipment, scale calibration and maintenance, process instruction, and calibration and repair of electrical measurement equipment.
- L. PRS will not engage in, nor will it permit any of its subcontractors to engage in, subcontracting of work below the second tier, whereby second tier contracting is defined as two tiers below PRS that applies to the USW represented workforce.
- M. The exclusion of any work scopes above shall not preclude work from being considered within the scope of this agreement.

#### 13. Future Work:

- A. PRS shall provide a copy of the Paducah Life Cycle Baseline or the successor document, for both the Environmental Management and Enrichment Facilities/Uranium Programs, to the local USW president on or before the beginning of each fiscal year for the Department of Energy. To facilitate implementation of Section 12, PRS representatives shall review these baselines with the local USW president not less than 30 days after the beginning of each fiscal year (or 30 days after transmittal of the baselines to the USW) to identify any additional work that had not been specifically identified in earlier baselines. At this point, the parties shall evaluate and allocate this additional work as a supplement to this Addendum, using the criteria of whether USW members had historically or traditionally performed this work at Paducah.
- B. As future work is identified and has not historically or traditionally been performed by USW at Paducah, PRS will notify USW Local 550 in writing, not less than 60 days prior to PRS commencing work or issuing a request for proposal or other bidding documents to prospective subcontractors. Prior to taking these steps, PRS will negotiate in good faith to establish a jurisdictional definition for USW workers. For this condition to be met, USW commits that consistent with a workforce restructuring plan in effect at the site, it will assist in referring the necessary skilled and qualified workforce.

#### 14. Existing Subcontracts:

- A. The Addendum shall not apply to certain existing subcontracts, which were awarded prior to the effective date of this Addendum. These are outlined in Attachment B of this Addendum.
- B. If PRS, or its first tier subcontractor, amends or modifies one of its subcontracts listed in Attachment B to add new scope(s) of work such that these scope(s) of work would include work covered under Sections 3, 12, or 13 of this Addendum, then PRS or its subcontractor shall notify USW not less than 7 days prior to concluding such amendment and shall comply with the terms of this Addendum for such additional work scope(s).

#### 15. Training:

The parties jointly recognize the critical importance of training to the success of the Paducah cleanup mission and will cooperate to the fullest extent in establishing, supporting, and seeking government and/or other assistance or grants for all appropriate training programs for USW covered work performed at the Paducah site.

The Company is fully committed to provide training and retraining for the USW workforce to assure an optimal match of skills with project requirements, subject to the availability of funding for this training and the DOE's Paducah workforce restructuring plan. These training programs, if required, will be developed to minimize the social and economic impacts from changes to the workforce and maximize re-employability.

#### 16. Severance Agreements and Pension Agreements between USEC and PRS

The Layoff Liability Agreement between Bechtel Jacobs and USEC dated December 16, 1999, the Pension Asset Transfer Agreement between Bechtel Jacobs and USEC (dated January 7, 2000), Pension Asset Transfer Agreement between USEC and Bechtel Jacobs (dated January 7, 2000), and the Asset Transfer Agreement from the USEC Savings Plan to the Bechtel Jacobs Savings Plan (dated January 7, 2000) are hereby incorporated into this Addendum as Attachment C.

## List of Attachments to PRS/USW Addendum:

Attachment A - Bechtel Jacobs Exhibit "J" as it relates to the USW

Attachment B - List of Existing or Former Subcontracts

Attachment C - Layoff Liability Agreement; Pension Asset Transfer Agreement between Bechtel Jacobs and

USEC; Pension Asset Transfer Agreement between USEC and Bechtel Jacobs; and Asset

Transfer Agreement (Savings)

# ACTING UNDER US DEPARTMENT OF ENERGY CONTRACT NUMBER DE-AC-30-06EW050001

#### Attachment A

### Exhibit J

(as related to the USW)

WAGE DETERMINATION

## **NOTES**

# LABOR STANDARDS DETERMINATIONS (USW Local 550 Recognized Work under the PRS/USW CBA and Addendum)

## 1. USW COVERED WORK (Davis-Bacon Act)

A. For any portion of the scope of work within this subcontract, Exhibit "D," that is identified as "Covered Work under the Davis-Bacon Act, and is incorporated in Sections 3, 12, or 13 of the Addendum" between the USW and PRS, or its subcontractors, at Paducah. The SUBCONTRACTOR agrees in the performance of this subcontract to comply fully with the clauses of the GENERAL CONDITIONS (Exhibit A) and SPECIAL CONDITIONS (Exhibit B) incorporating the requirements of the Davis-Bacon Act. SUBCONTRACTOR agrees to obtain its workers in accordance with the agreement between PRS and the USW currently identified in Section 10, which requires hiring in the following order:

#### 1. Recall:

- First: those qualified USW represented employees in the same job classification as the vacancy
  exists who have been notified of a layoff with PRS or its subcontractors, at Paducah, in order of
  seniority;
- b. Second: those qualified USW represented employees in the same job classification as the vacancy exists on the recall list that were laid off from PRS or its subcontractors at Paducah in order of seniority. PRS will maintain a site-wide recall list by seniority of all laid off USW represented employees covered under Section A (1) above.

#### 2. Job Bid:

- a. The job bid opportunity is limited to employees of PRS and its subcontractors, at Paducah.
- b. Job bids will be awarded to the most senior qualified bidder from within a lower job classification.

#### 3. Job Openings:

- a. First: those qualified USW represented employees <u>in classifications other than the one the vacancy exists in</u> who have been notified of a layoff with PRS or its subcontractors at Paducah in order of seniority.
- b. Second: those qualified USW represented employees in classifications other than the one the vacancy exists in on the recall list who were laid off from PRS or its subcontractors, at Paducah, in order of seniority. PRS will maintain a site-wide recall list by seniority of all laid off USW represented employees covered by paragraph A (1).
- 4. Those qualified USW represented employees laid off or notified of lay off from USEC, S&S, or S&S subcontractors at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996, in order of seniority.
- 5. Those qualified non USW represented employees, laid off from PRS, USEC or S&S, or subcontractors, who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
- 6. Those qualified USW represented employees laid off at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
- 7. Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.

Prior to filling vacancies, PRS and/or its subcontractors shall consult with the USW concerning the availability of employees on the USEC, S&S, and S&S subcontractor recall list and those eligible under Section 3161 of the FY 93 Defense Authorization Act. In filling vacancies, PRS and/or its subcontractors shall provide a right of first refusal in order of seniority for available work within the classification for which the displaced employee can qualify. If no qualified employees can be obtained in a timely manner from the seven aforementioned sources, PRS and/or its subcontractors may hire qualified employees from any source.

- As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory B. employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the USW covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize USW representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will adopt all of the terms and conditions of the current labor agreement between Bechtel Jacobs Company and the USW in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR, is not a "successor" employer, as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize the USW upon showing that a majority of the non-supervisory employees performing work in the appropriate unit have signed a USW authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between PRS and the USW until such time as the parties conclude a labor agreement on these terms or, consistent with the National Labor Relations Act, agree to modify noneconomic terms of the agreement. (The SUBCONTRACTOR and the USW shall select and use a mutually agreeable neutral third party to review and count cards and/or resolves any disputes.)
- C. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operates in compliance with the terms and conditions of the referenced Collective Bargaining Agreement.
- D. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by PRS.
- E. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this subcontract, the occurrence of any such displacement shall not be the basis for claims under this subcontract.
- F. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with the PRS with the Department of Energy.

# 2. USW NON-COVERED WORK (Service Contract Act) (workforce transition of USW represented incumbent employees)

A. For any portion of the Scope of Work (Exhibit D) that is identified as "USW-Non-Covered Work; USW Workforce Transition," the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, it shall offer a right of first refusal for employment to USEC hourly employees in the classification performing the work being transitioned, starting with the most senior employee and proceeding down the list to the most junior employee, unless the positions are filled before the bottom of the list is reached. This right of first refusal will be provided without regard to whether the individual who elects to transition has performed the specific job task previously. In the event the subcontractor cannot fill the vacancies with USEC bargaining unit employees from the affected classification(s) for these positions, subcontractors shall offer employment to USEC bargaining unit employees who volunteer from other job classifications, based on plant seniority before hiring from other sources outlined below. The affected employee will have the opportunity, if deemed necessary by the employee or the Company, to demonstrate to PRS and/or the subcontractor that he/she has the skills and qualifications necessary to

perform the work. In filling these positions, the subcontractor shall provide job and task specific training to assure competent job performance; provided, that this training requirement shall not include an obligation to provide fundamental skills training or craft-specific training, unless the Company opts to provide such training at its discretion.

- B. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the USW collective bargaining unit covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize USW as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between PRS and the USW in connection with the work to be performed on the Project pursuant to this subcontract. Thereafter, SUBCONTRACTOR will not change any of the terms and conditions of employment without bargaining in good faith with the USW, to the extent that it is required to do so by the dictates of the National Labor Relations Act.
- C. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between PRS and the USW in connection with its performance of the work covered by this subcontract.
- D. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operates in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with the PRS/USW Contract and with the Department of Energy.
- E. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by PRS.
- F. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this subcontract, the occurrence of any such displacement shall not be the basis for claims under this subcontract.

# 3. USW NON-COVERED WORK (Service Contract Act) (no workforce transition)

A. For any portion of the Scope of Work (Exhibit D) that is identified as "USW Non-Covered Work; no USW workforce transition," the SUBCONTRACTOR agrees that, after it determines the number of non-supervisory employees necessary for the efficient performance of this subcontract, SUBCONTRACTOR agrees to obtain its workers in accordance with the agreement between PRS and the USW currently identified in Section 10, which requires hiring in the following order:

#### 1. Recall:

a. First: those qualified USW represented employees in the same job classification as the vacancy exists who have been notified of a layoff with PRS or its subcontractors at Paducah in order of seniority;

b. Second: those qualified USW represented employees in the same job classification as the vacancy exists on the recall list that were laid off from PRS or its subcontractors, at Paducah, in order of seniority. PRS will maintain a site-wide recall list by seniority of all laid off USW represented employees covered under Paragraph A (1) above.

- 2. Job Bid:
  - a. The job bid opportunity is limited to employees of PRS and its subcontractors, at Paducah.
  - b. Job bids will be awarded to the most senior qualified bidder from within a lower classification.
- 3. Job Openings:
  - a. First: those qualified USW represented employees in classifications other than the one the vacancy exists in who have been notified of a layoff with PRS or its subcontractors, at Paducah, in order of seniority;
  - b. Second: those qualified USW represented employees in classifications other than the one the vacancy exists in on the recall list who were laid off from PRS or its subcontractors, at Paducah, in order of seniority. PRS will maintain a site-wide recall list by seniority of all laid off USW represented employees covered by Paragraph A (1) above.
- 4. Those qualified USW represented employees laid off or notified of lay off from USEC, S&S, or S&S subcontractors at Paducah, or who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996, in order of seniority.
- Those qualified non USW represented employees, laid off from PRS, USEC or S&S, or subcontractors, who are covered under Section 3161 of the FY 93 Defense Authorization Act as defined in the USEC Privatization Act of 1996;
- Those qualified USW represented employees laid off at Portsmouth and who are covered under Section 3161 of the FY 93 Defense Authorization Act;
- 7. Those qualified employees laid off at other Department of Energy facilities and who are covered under Section 3161 of the FY 93 Defense Authorization Act.

Prior to filling vacancies, PRS and/or its subcontractors shall consult with the USW concerning the availability of employees on the USEC, S&S, and S&S subcontractor recall list, and those eligible under Section 3161 of the FY 93 Defense Authorization Act. In filling vacancies, PRS and/or its subcontractors shall provide a right of first refusal in order of seniority for available work within the classification for which the displaced employee can qualify. If no qualified employees can be obtained in a timely manner from the seven aforementioned sources, PRS and/or its subcontractors may hire qualified employees from any source.

В. As soon as the SUBCONTRACTOR has hired a representative complement of its non-supervisory employees to perform the work covered by this subcontract, in accordance with Paragraph A above, SUBCONTRACTOR agrees that, if it appears that a majority of that representative complement of employees were members of the USW collective bargaining unit covered by the aforementioned labor agreement, SUBCONTRACTOR will, consistent with the requirements of the National Labor Relations Act, recognize the USW as the collective bargaining representative of the non-supervisory employees performing the work covered by this subcontract. SUBCONTRACTOR will, from the date of initial hiring, adopt all of the terms and conditions of the current labor agreement between PRS and the USW in connection with the work to be performed on the Project pursuant to this subcontract. In those cases where SUBCONTRACTOR is not a "successor" employer as defined under the National Labor Relations Act, the SUBCONTRACTOR shall recognize the USW upon showing that a majority of the non-supervisory employees performing work in an appropriate unit under a subcontract have signed a USW authorization card, and from the date of initial hiring the SUBCONTRACTOR shall adopt all of the terms and conditions of the current labor agreement between PRS and the USW until such time as the parties conclude a labor Contract on these terms, or, consistent with the National Labor Relations Act, agree to modify non-economic terms of the agreement. (The SUBCONTRACTOR and PACE shall select and use a mutually agreeable neutral third party to review and count cards and/or resolves any disputes.)

- C. SUBCONTRACTOR agrees, in performance of this subcontract, to comply fully with the dictates of Presidential Executive Order 12933, Section 4(c) of the Service Contract Act, and the National Labor Relations Act. SUBCONTRACTOR also agrees that, to the fullest extent permitted by law, it will adhere to all of the terms and conditions of the current labor agreement between PRS and USW in connection with its performance of the work covered by this subcontract.
- D. SUBCONTRACTOR recognizes CONTRACTOR as responsible for the interpretation of the Collective Bargaining Agreement. SUBCONTRACTOR agrees to provide work direction and supervision to employees covered by this agreement, and operates in compliance with the terms and conditions of the referenced Collective Bargaining Agreement. SUBCONTRACTOR is expected to maintain positive labor management relations and shall actively participate in joint initiatives associated with PRS Contract with the Department of Energy.
- E. SUBCONTRACTOR agrees that any situation or occurrence related to hourly workers, which may: affect the employer-employee relationship; be considered in violation of the Collective Bargaining Agreement; result in disciplinary action; establish a precedent; or, affect other subcontractors, whether resolved or not at the SUBCONTRACTOR level, will be communicated to the designated Labor Relations personnel employed by PRS.
- F. SUBCONTRACTOR recognizes that the current labor agreement may include provisions for a site-wide seniority list, and that limited displacement (bumping) of bargaining unit employees may occur between employers at time of layoff. When required, this displacement will occur as defined in the collective bargaining agreement. SUBCONTRACTOR agrees that, because such displacement is a requirement of the collective bargaining agreement, compliance with which is a term of this subcontract, the occurrence of any such displacement shall not be the basis for claims under this subcontract.

	Top rate of classification 3 months from top rate 3 months from top being entered, if of classification	3 months from top rate of classification bein σ	1 2	Start rate of
	d out, or	ره م	نه	classificatio
	ن ن		training (see attached	
	same, equal or higher classification.	classifications)	classifications)	
Successful qualified (USW) bidder for posted job bids	X	Х,	Å.	
Employees hired into the trainee classification which must include a bonafide training program		7	2.0	Х3
Employees hired into classifications for which a bonafide training program has been established.	X,1	X2		
2/c, for classifications commonly referred to as "craft" positions				
Employees who are hired "off the street" at 11.				
journeyman level.		X	X2	
Current USW represented workers (other than PRS or	X	X	Α	
subs) who are hired into the <u>same or equal job</u> classification from which vacated	•	7 47	<b>~</b> 2	
Current USW represented workers (other than DDS or	Α			
subs) who are hired into a lower job classification from which vacated	V 1		x2	
Former USW represented workers hired into the same	×	^	)	
or equal job classification	₹	<b>A</b> 2	X <sub>2</sub>	
Former USW represented workers hired into a <u>lower</u> job classification	$\mathbf{X}_1$		X	
XI denotes "Extensive Training"				
X3 denotes "Established Training Program"				

Extensive Training Classifications

Maintenance Mechanic Machinist

Heavy Equipment Mechanic

Garage Mechanic Garage Mechanic Instrument Mechanic Electrical Mechanic

Refrigeration Sheet Metal Worker Heavy Equipment Operator

Non extensive Training Classifications
Truck Driver
Operator

Operator B

Material Handler

Lubricator

Laborer

Janitor

Protective Clothing & Equipment

Processor

Window Washer

Painter

Carpenter

determination will be made regarding the appropriate level of training as either extensive If additional classifications of the Contract are added under the scope of work, a or non extensive

less of a pay benefit than provided by this matrix, such retroactive action will occur to be in Any pay action already taken that provides more benefit for a worker will be recognized as a "one-time, non precedent-setting" occurrence. If pay actions have occurred that provide compliance with this matrix.

# ATTACHMENT "B"

The following subcontracts were awarded prior to the negotiation of this Contract and Addendum:

23900-SC-RM086F	Remedial Action Assessments (includes North/South Diversion
	Ditab tranship a

Ditch trenching)

23900-SC-RM058F Lasagna Operations

23900-SC-RM057U WAGs 28/3/8/Data Gaps

23900-SC-RM052U NE/NW Plume Operations

23900-SC-RM056F Environmental Services

#### Attachment "C"

- (1) LAYOFF LIABILITY AGREEMENT, December 16, 1999
- (2) PENSION ASSET TRANSFER AGREEMENT BETWEEN BECHTEL JACOBS AND USEC, January 7, 2000
- (3) PENSION ASSET TRANSFER AGREEMENT BETWEEN USEC AND BECHTEL JACOBS, January 7, 2000
- (4) ASSET TRANSFER AGREEMENT (SAVINGS) January 7, 2000

The documents listed as attachments and exhibits are not present in this Addendum, but are a source of reference. Should utilization of these documents become necessary, they will be referenced and interpreted as though they were physically present in this Addendum

### MEMORANDUM OF AGREEMENT

This Memorandum of Agreement, made this 29<sup>th</sup> Day of June 2007, is entered into between Paducah Remediation Services ("PRS" or the "Company") and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, and Local - 550 ("USW" or the "Union").

WHEREAS, the Company, at its sole discretion, has decided to terminate its contracts with Denuke Services; Parallax, LLC; and begin self-performance of Department of Energy related Radiological Control Technician, Radiological Instrumentation, and Radiological Dosimetry work at the Paducah Plant site; and

WHEREAS, the Company has stated that for the mutual benefit of the Company and the Union, it desires to put the aforementioned work scopes, and the workers who perform it, under the terms and conditions of the current Collective Bargaining Agreement (the "Contract"); and

WHEREAS, the current contract, effective July 31, 2006 – July 31, 2010, must be amended to reflect this;

THEREFORE, the undersigned hereby agree and consent to the following:

- 1. Two levels of Radiological Control Technicians (RCT's) will be established. All RCT's will be considered as Job Classification Group twenty-two (22).
  - (a) An RCT with three (3) years or more of verifiable experience will be classified as a Senior RCT. Senior RCT's will be considered as Rate Group twenty-eight (28).
  - (b) An RCT with less than three (3) years of verifiable experience will be classified as a Junior RCT.
- 2. Junior RCT's will be divided into two (2) groups for pay purposes:
  - (a) 0-18 months experience will be considered as Rate Group three (3).
  - (b) 19-36 months experience will be considered as Rate Group eleven (11).
- 3. The date of transition for all current RCT's will be June 29, 2007.
- 4. Pay rates from transition through July 29, 2007 are as follows:
  - (a) Senior RCT = \$27.24
  - (b) Junior RCT = (19-36 month) \$23.71 / Junior RCT (0-18 month) = \$19.97
- 5. Pay rates effective July 30, 2007 will be in accordance with the current contract.
- 6. Initially, there will be one (1) overtime list; with specific rules to be agreed to by both parties. Should circumstances indicate that utilization of two (2) lists (Facilities and Materials) be evaluated, the parties will meet to discuss this option.
- 7. Transitioning RCT's will have their Company Service Credit based on the total time worked at the Paducah site in the performance of Department of Energy (DOE) related work. Periods of absence (whether voluntary or involuntary) shall not be counted as time worked. Company Service Credit for those hired after transition will be in accordance with the contract.

- 8. Group Seniority for transitioning RCT's will become effective on the date of transition. The seniority list will be numerically ranked by the total time worked in an RCT or Junior RCT capacity. In addition, the work must have been performed at the Paducah site, and in the performance of DOE related work. Seniority for those hired after transition will be in accordance to the contract.
- 9. Plant (USW) seniority will become effective on the date of transition.
- 10. PRS may utilize a subcontractor workforce, to provide temporary (not to exceed four months) RCT services to the DOE. This provision requires that the additional work; be outside of the PRS baseline; not become a matter of routine; not adversely impact, nor displace a USW represented RCT.
- 11. On the date of transition, RCT's will be credited with their current Paid Time Off (PTO) accrual rate for the remainder of the calendar year (minus any hours that have previously been taken). Beginning January 1, 2008, PTO will be administered in accordance with the CBA.
- 12. Current Denuke and Parallax RCT's will be required to complete a pre-employment job application. This application will not be used to establish qualifications, but will be used for Human Resources records purposes only. In addition, all Denuke and Parallax RCT's will be required to submit to, and pass, a drug test.
- 13. PRS will distribute an offer of employment letter to all PRS, Denuke, and Parallax RCT's. Employment offers will be in accordance with the terms and conditions of the current CBA, and this Memorandum of Agreement. Should a discrepancy arise, the language contained in this Memorandum of Agreement shall prevail.
- 14. Disputes concerning the intent and application of this Memorandum of Agreement, shall be resolved in accordance with the Grievance and Arbitration provisions contained in the current CBA.
- 15. Job descriptions and requirements, as well as merit pay increase requirements, have been

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